MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6939

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [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
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

72195-65

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

June 27, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 1 1968
INITIALS/CODE

Memorandum

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

From: Field Officer, Region II

Subject: New Application (Silver-Gold)
Houserock Uranium Corporation
Two Jim Claims
Esmeralda County, Nevada

Enclosed is an application for financial assistance in an exploration project near Silver Peak, Nevada, received in the Field Office on June 26, 1968.

Only 7 of the 10 claims included in the application are shown on the attached map. The geology of the claims area and targets of the proposed drill holes are not shown on the map. Although the 16 to 1 vein may be present on the Two Jim Claims, it may not contain minable ore shoots and many additional holes or an underground adit will be required to adequately explore the vein, or veins.

H. K. Stager

Enclosures

MME Form 40
Jan. 65

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY RECEIVED JUL 1 1968 INITIALS CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

HOUSEROCK URANIUM CORPORATION
3776 Red Oak Way
Redwood City
California 94061

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6739

DATE RECEIVED: JULY ~~26~~, 1968

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: NEVADA

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Jack W. Wilson	3776 Red Oak Way, R.C., Calif.	President
Edward M. Hunter	4724 Wheeler Dr., Freemont "	V. P.
Donald Rogers	225 Morrene Drive, Campbell, "	V. P.
Pearl M. Wilson	3776 Red Oak Way, R.C., Calif.	Sec/Tr.

DIRECTORS:
Jack W. Wilson, 3776 Red Oak Way, Redwood City, Calif.
Edward M. Hunter, 4724 Wheeler Drive, Freemont, Calif.
Glen D. Gregory, 5059 San Aquario, Drive, Pacific Beach, California.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver, Gold, Lead, Zinc, etc.

ESTIMATED COST OF PROJECT: $

PROPERTY NAME / LOCATION COUNTY / STATE: TWO JIM CLAIMS, ESMERALDA, 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~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

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

April 23, 1968
DATED

Jack W. Wilson
Jack W. Wilson BY *(Signature)*
President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

1. Financial Eligibility:
   (a) Attached are three letters written to three banks for laans to develop said property which show: (1) Date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the three letters from the three banks with their respective refusals.
   (b) Houserock Uranium Corporation has no affiliated, parent, or controlling company in any degree whatsoever.
   (c) Houserock Uranium Corporation proposes to furnish its share of the cost of the exploration work from two basic sources: (1) Sale of its stock to its present stockholders who have committed themselves to the extent of 25% of the requested loan amount (Namely Gerald Butler, 132 Pinta Court, Los Gatos, California, Zip Code 95030, Phone Number Area Code 408-354-4256) and (2) through the sale of its stock in the Bokum (Uranium) Corporation.
2. Applicant's Rights in Land:
   (a) Houserock Uranium Corporation purchased the Mining Lease on the ten Two Jim Claims from Mr. Earl J. Green and Beverly H. Green, husband and wife, of 3509 Altamont Way, Redwood City, California 94061, and Jack W. Wilson and Pearl M. Wilson, husband and wife, of 3776 Red Oak Way, Redwood City, Calif., 94061, as shown in the two enclosed "Bill of sale of Stock" contracts. Their are no liens, mortgages, or other encumbrances on the land except for the basic monthly payments being made to Mr. Gavin and Mr. Wike by Houserock Uranium Corporation per the terms of the mining lease above mentioned.
   (b) The legal description of the land: The below mentioned claims are unpatented lode mining claims and are recorded in the office of the County Recorder of Esmeralda County, Nevada, under the claim names and in the books and at the pages set forth below, as follows:

NAMES OF CLAIMS	BOOK of Mining Locations at	PAGE
TWO JIM	1R	319
TWO JIM NO. 1	1R	319
TWO JIM NO. 2	1R	320
TWO JIM NO. 3	1R	320
TWO JIM NO. 4	1R	321
TWO JIM NO. 5	1R	321
TWO JIM NO. 6	1S	144
TWO JIM NO. 7	1S	145
TWO JIM NO. 8	1S	145
TWO JIM NO. 9	1S	146

   (c) Since none of the above claims are owned by Houserock Uranium Corporation five (5) copies of Lien Subordination Agreements on MME Form 52 are completed and attached.
3. Physical Description:
   (a) As shown on the attached maps one hole was drilled by Houserock Uranium Corporation in 1967 to a depth of 335 feet on the TWO JIM CLAIM in an attempt to cross cut the vein at depth below the surface outcrop. Examination of the cores by a qualified geologist (actually two qualified geologists) showed that the vein was not reached due to its westerly dip. Some tunneling was done years ago on the third surface outcrop on TWO JIM NO. 4 but no commercial ore was exposed. Although it is not on the TWO JIM CLAIMS it is important to note that the Sunshine Mining Company on the adjacent 16:1 Mining Property has developed several million dollars worth

of silver ore as explained in the attached "ANNUAL REPORT" of the Mid Continent Mining Co. who is a one third partner with Sunshine Mining Co. on the 16:1 Mine. It is even more important to know that the "offset" in the main vein of the 16:1 Mine at a point 475 feet from the 1,000 foot cross cut intersection with the main vein has a bearing of 5 degrees east of magnetic north and measures some 84 feet along the main vein. This same offset can be traced at ground surface both visually and by geophysical instruments onto our TWO JIM CLAIMS. Sunshine Mining Co. is currently crosscutting toward this offset vein structure from the end of their tunnel and should hit it in another 60 to 80 feet. At this point they will still be some 700 feet from our common property line. There are no mine workings on the TWO JIM claims.

(b) Since there are no workings there is no interest to be had.

(c) There is no past or current production from the TWO JIM claims. The Mohawk Mine to the west produced of the order of one million dollars that is recorded and the Nivloc Mine to the east produced many millions.

(d) There are no known ore reserves. Only mineralized outcrops are visible and measureable. Copies of these are attached. Two surface assays were 1.45 ounces per ton of silver and 0.03 ounces of gold; 0.12 ounces of silver and 0.01 ounces of gold respectively.

(e) The attached geological reports give the geologic features of the property.

(f) Assays in (c)above were taken of the surface outcrops and it is expected that the secondary silver enrichment at depth will be similar to the 16:1 ore body which had approximately the same type of surface vein outcrop.

(g) Two copies of all reports are herewith submitted.

4. Accessibility of Property:

(a) The OME representative can contact Mr. James Gavin of Silver Peak, Nevada, by writing to simply: Mr. James Gavin, Silver Peak, Nevada, or by phoning through the special operator in Bishop, California, to Mr. Gavin's phone number which is: 937 2631 at Silver Peak, Nevada. Mr. Gavin has a four wheel drive truck and will be glad to drive the OME representative onto the property at any agreed upon time. It will probably be possible to arrange to examine the workings of the adjacent 16:1 Mine.

(b) The nearest railhead in the area is Mina which is about 50 miles north of the property. Sunshine Mining Co. is about to build a 250 ton per day mill and many discussions with them indicate that theywould custom mill our ore.

5. Exploration Work:

(a) The first hole to be drilled will be at the drill site of the above mentioned 335 foot hole already drilled. We propose to drill a second hole some ten feet from the first but at a 45 degree angle instead of a 66 degree angle of the first hole. In the worst case it could be expected that the dip of the vein could be as shallow as say 40 degrees in which case to intersect it at a depth of 500 feet (slant length of hole) the angle of the drilling should be 28 (twenty-eight) degrees from the horizontal at the drill site which is 115 feet from the vein outcrop. Depending upon where the vein is found at depth, it may be best to extend the first hole 100 to 150 feet to also intersect the vein at greater depth. The third

hole shouls be drilled at a point 200 feet from the Sunshine Minging Company's boundary (This is the end line of the 16:1 claim and the Honeymoon Claim.) Additional holes which must be determined from the findings of the above three holes will be drilled in the various veins to a total of about 4,000 feet with an average hole depth of about 500 feet each. This will be a total of about 8 holes at a cost indicated by the various quotes of the order of $9.50 per foot for coring size NX and $6.00 per foot for Non-coring with the additional costs of Moving in and out and placing casing, cementing and drilling cement, standby time, road preparation, supervision, assays, geological consulting, etc. It is to be expected that immediately upon completion of this drilling development contract that a second contract would be considered to drive tunnel to verify the existance of commercial ore, providing, of course, that the drilling is sufficiently encouraging.

(b) No access road is needed as it was provided by the owners. However, drill sites must be mase and access roads to them in some cases will be required. These will be simple dirt and rock roads built by a bulldozer.

(c) Work will begin immediately upon the execution of an OME loan contract. Completion would be within 200 days at a minimum rate of 20 feet per day for 4,000 feet.

6. Experience

(a) Mr. Jack W. Wilson, President of Houserock Uranium has been in the mining business since 1955 and has been the manager of trucking company word in Moab, Utah, and has personally operated diamond drills in searching for uranium ore in the Four Corners Area on many sites. He has also operated several mining operations in gold and mercury mines in California. Mr. James Gavin, who will also be supervising the drilling and tunnel exploration is a miner with many years of experience in silver and gold properties in Nevada. (33 years.)

7. Estimate of Costs: based on eight holes

		Totals	
(a) Bulldozer-Road & Sites			
8 hrs. per site clearance-8days			
Roads between sites-	12		
25.00/hr. and 8 hr. days	20 days	4,000.00	
Mobilization @ $1.00/mile	140 mi.	140.00	
Dynamiting and rock removal		2,000.00	
(b) Drilling 8 holes 500' aug. depth			
Mobilization & Demobilization			750.00
Moving between holes			1,050.00
100' each hole Non- Coring - 800'@ $6.00 ft.			4,800.00
300' each hole Coring @$9.50/ft.X 4 holes			11,400.00
500' each hole Coring @10.50/ft.X 4 holes for last 200'			19,400.00
Casing aug. 50' per hole X 8 holes X 1.50'			1,000.00
(c) Personal services			
Supervisor @ 800/mo. full time 4000.00			4,000.00
Geologist consultant 4 days/mo. @ 91.00 day are available immediately			455.00
(d) Operating Materials Supplies			
Core boxes $80.00			80.00
Core splitter $25.00 mo. rental			125.00
50 bags @ 10¢ each			5.00

Markers 40 @ .20/ ea.	8.00
Office expense @ 50/mo.	200.00
(e)Operating equipment	
Jeep rental @120.00 mo.	600.00
	$49,013.00 GRAND TOTAL

Loan value at 75% of $49,013.00 is 36,759.75

#1

Cable Address — BANKAMERICA

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION

CALIFORNIA-BROADWAY BRANCH • 110 CALIFORNIA STREET • REDWOOD CITY, CALIFORNIA 94063

March 13, 1968

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California

Attention: Mr. Jack W. Wilson
President

Dear Mr. Wilson:

With reference to your letter of March 9th, we would not be interested in granting a loan for $100,000.00 for developing silver ore on property located in Nevada.

We are not considering this type of credit at the present time.

Yours very truly,

Karl K. Kinsman
Assistant Cashier

KKK:bf

#1

HOUSEROCK URANIUM CORPORATION
3776 Red Oak Wy, Redwood City
California 94061
Phone 368 9697

March 9, 1968

Bank of America N T & S A
California-Broadway Branch
110 California Street
Redwood City, California

Dear Sirs,

Our Corporation would like to apply for an unsecured loan in the amount of One Hundred Thousand Dollars ($100,000.00) for the purpose of developing silver ore of commercial grade on a property known as the Two Jim Claims south of the town of Silver Peak, Nevada.

If your bank can loan our Corporation money on the above basis we will submit all necessary details.

However, if you can not do so please be kind enough to give me your reasons why not so that I can submit the answer to the Federal Government who require a written refusal before they can make this type of loan.

Very truly yours,

Jack W. Wilson, President

#2

UNITED CALIFORNIA BANK

REDWOOD CITY OFFICE • 2603 BROADWAY • REDWOOD CITY, CALIFORNIA 94063 • TEL. 369-7101

April 15, 1968

Mr. Jack Wilson
House Rock Uranium Corp.
3776 Red Oak Way
Redwood City, California

Dear Mr. Wilson:

Based on the information provided in your inadequate request for loan accommodations, United California Bank would not consider such a loan.

Yours very truly,

E. Parke Frizelle
Assistant Manager

#L

HOUSEROCK URANIUM CORPORATION
3776 Red Oak Way, Redwood City
California 94061
Phone 368 9697

March 9, 1968

United California Bank
Redwood City Office
2603 Broadway
Redwood City, Calif.

Dear Sirs,

Our Corporation would like to apply for an unsecured loan in the amount of One Hundred Thousand Dollars ($100,000.00) for the purpose of developing silver ore of commercial grade on a property known as the Two Jim Claims south of the town of Silver Peak, Nevada.

If your bank can loan our Corporation money on the above basis we will submit all necessary details.

However, if you can not do so please be kind enough to give us your reasons why not so that we can submit the answer to the Federal Government who require a written refusal before they can make this type of loan.

Very truly yours,

Jack W. Wilson, President

#3

CROCKER-CITIZENS NATIONAL BANK

CHARTERED 1870

REDWOOD CITY OFFICE

675 JEFFERSON AVENUE · REDWOOD CITY, CALIFORNIA 94063

ROBERT B. MORIARTY
ASSISTANT VICE PRESIDENT AND MANAGER

4/16/68

Houserock Uranium Corp.
3776 Red Oak Way
Redwood City, California

Gentlemen:

We regret to inform you that we are unable to grant your loan request for $100,000.00, for your Silver Mining venture.

We would be pleased to offer our bank depository services for your firm when you are successful in obtaining financing.

Sincerely,

R.B. Moriarty
Assistant Vice President
and Manager

RBM/lgj

#3.

HOUSEROCK URANIUM CORPORATION
3776 Red Oak Way, Redwood City
California 94061
Phone 368 9697

March 9, 1968

Crocker-Citizens National Bank
Redwood City Office
675 Jefferson Ave.
Redwood City, Calif.

Dear Sirs,

Our Corporation would like to apply for an unsecured loan in the amount of One Hundred Thousand Dollars ($100,000.00) for the purpose of developing silver ore of commercial grade on a property known as the Two Jim Claims south of the town of Silver Peak, Nevada.

If your bank can loan our Corporation money on the above basis we will submit all necessary details.

However, if you can not do so please be kind enough to give us your reasons why not so that we can submit the answers to the Federal Government who requires a written refusal before it can make this type of loan.

?

Very truly yours,

Jack W. Wilson
President

SPRAGUE & HENWOOD, Inc.

Contract Division

REGIONAL OFFICE

2151 North Redwood Road (P.O. Box 2556)
Salt Lake City 10, Utah DAvis 8-4271

S&H SINCE 1883

DIAMOND DRILLING • MINERAL EXPLORATION • SOIL SAMPLING • PRESSURE GROUTING

EXECUTIVE OFFICES & PLANT
SCRANTON, PENNSYLVANIA

April 22, 1968

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Attention: Gerald D. Butler

Gentlemen:

In accordance with your invitation, we herewith offer our proposal for drilling in the Red Mountain Range approximately 10 miles southeast of Silver Peak, Nevada.

Proposal

Item 1.	Mobilization and demobilization	Lump Sum	$1,800.00
Item 2.	Non-Core Drilling - Minimum Size 3 7/8"		
	0 - 500' depth	Per Foot	5.50
	500 - 1000' depth	Per Foot	7.00
Item 3.	Core Drilling - Wireline	NX	BX
	0 - 500' depth	$10.90/ft.	$10.50/ft.
	500 - 1000' depth	11.50/ft.	11.10/ft.
Item 4.	Reaming to advance casing All Sizes	Per Foot	6.60
Item 5.	Cementing and Drilling Cement	Per Hour	30.00
Item 6.	Standby time, hole surveys, regaining circulation, moving between drill sites, casing installation and retrieving	Per Hour	27.50
Item 7.	Casing lost in holes or left in place at request	Per Foot	3.00
Item 8.	Mud, cement, additives, lost circulation materials		@ Cost f.o.b. jobsite
Item 9.	Core Boxes	NX @ $1.10 ea.	BX @ $1.05 ea.

continued page 2

Houserock Uranium Corporation
Redwood City, California 94061

April 22, 1968
Proposal continued

Conditions

1. Sprague and Henwood, Inc. will provide a #142 truck-mounted hydraulic core drill, water truck and all accessory equipment to drill to required depths. Trailer house will be furnished for crew.

2. Work schedule would be 10 hours per day, 10 days straight, 4 days off. Crew will consist of driller, helper and truck driver.

3. Commencement of work will depend upon availability of experienced crews.

4. Credit arrangements to be established prior to commencement of work.

Thank you for the opportunity of quoting this work.

Very truly yours,

SPRAGUE AND HENWOOD, INC.

Vincent D. Nourse

Vincent D. Nourse
Manager, Western Branch

VDN:rp

April 22, 1968

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Attention: Gerald D. Butler

Gentlemen:

In accordance with your invitation, we herewith offer our proposal for drilling in the Red Mountain Range approximately 10 miles southeast of Silver Peak, Nevada.

Proposal

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	0 - 500' depth	Per Foot	5.50
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Item 3.	Core Drilling - Wireline	NX	BX
	0 - 500' depth	$10.90/ft.	$10.50/ft.
	500 - 1000' depth	11.50/ft.	11.10/ft.
Item 4.	Reaming to advance casing All Sizes	Per Foot	6.60
Item 5.	Cementing and Drilling Cement	Per Hour	30.00
Item 6.	Standby time, hole surveys, regaining circulation, moving between drill sites, casing installation and retrieving	Per Hour	27.50
Item 7.	Casing lost in holes or left in place at request	Per Foot	3.00
Item 8.	Mud, cement, additives, lost circulation materials		@ Cost f.o.b. jobsite
Item 9.	Core Boxes	NX @ $1.10 ea.	BX @ $1.05 ea.

continued page 2

Houserock Uranium Corporation
Redwood City, California 94061

April 22, 1968
Proposal continued

Conditions

1. Sprague and Henwood, Inc. will provide a #142 truck-mounted hydraulic core drill, water truck and all accessory equipment to drill to required depths. Trailer house will be furnished for crew.

2. Work schedule would be 10 hours per day, 10 days straight, 4 days off. Crew will consist of driller, helper and truck driver.

3. Commencement of work will depend upon availability of experienced crews.

4. Credit arrangements to be established prior to commencement of work.

Thank you for the opportunity of quoting this work.

Very truly yours,

SPRAGUE AND HENWOOD, INC.

Vincent D. Nourse
Manager, Western Branch

VDN:rp

CONTINENTAL DRILLING COMPANY

DIAMOND DRILLING CONTRACTORS
2810 NORTH FIGUEROA
LOS ANGELES, CALIFORNIA 90065
TELEPHONE CAPITAL 2-7146

EXPLORATION DRILLING
GROUT HOLE DRILLING
CEMENT GROUTING
CHEMICAL GROUTING

BRANCH OFFICE:
419 SO. 96TH STREET
SEATTLE 8, WASHINGTON
ROCKWELL 2-1911

April 17, 1968

LAX 68-15

Mr. Gerald D. Butler
Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Dear Mr. Butler:

The following is our bid on your proposed drilling program on your property near Silver City, Nevada:

Item No.	Description	Unit Price		Unit
✓ 1.	Mobilization & Demobilization	$ 750.00		Lump Sum
	Moving Between Holes	150.00		Each Move
✓ 2.	Drilling Non-Coring	6.00		Per Foot
✓ 3.	Drilling Coring	NX	BX	
	0 to 500'	9.50	8.50	Per Foot
	500 to 1000'	10.50	9.50	Per Foot
✓ 4.	Placing Casing	2.50		Per Foot
5.	Cementing & Drilling Cement Contractor to Furnish Own Cement	25.00		Per Hour
6.	Standby Time	15.00		Per Hour
7.	Owner to Prepare and Maintain Accessible Roads to Drill Stations.			

Very truly yours,

CONTINENTAL DRILLING COMPANY

P.A. Conte

P. A. Conte
Exploration Manager

PAC:ed

BILL OF SALE OF STOCK

For and in consideration of the transfer by Jack W. Wilson and Pearl M. Wilson, hereafter referred to as Buyers, to Houserock Uranium Corporation, a Nevada corporation, hereafter referred to as Seller, of all Buyers' right, title, and interest, as it may exist, in that certain mining lease and option to purchase agreement dated April 24, 1967, hereafter described more fully, Seller hereby transfers to Buyers 100,000 shares of common stock of Houserock Uranium Corporation.

The said mining lease and option agreement referred to herein is identified as agreement dated April 24, 1967, between James W. Gavin and Marie S. Gavin and James O. Wike and Jean Wike, parties of the first part as Lessors, and Earl J. Green, Beverly H. Green, Jack W. Wilson, and Pearl M. Wilson, parties of the second part as Lessees to property described therein as Silver Peak, Nevada #89047.

Buyers hereby acknowledge receipt of the said consideration in the form of 100,000 shares of stock of Houserock Uranium Corporation, and hereby grant, bargain, sell, and convey unto Seller all their right, title, and interest in the above described mining lease and option to purchase agreement, and acknowledge they have conveyed unto Seller all such interest therein.

Executed at Silver Peak, Nevada, on this 16th day of June, 1967.

Jack W. Wilson
Jack W. Wilson

Pearl M. Wilson
Pearl M. Wilson

HOUSEROCK URANIUM CORPORATION
By Jack W. Wilson
Jack W. Wilson

ELTON PARSONS - CONSTRUCTION

COALDALE, VIA

TONOPAH, NEVADA 89049

May 9, 1968

Jack Wilson
3776 Red Oak Way
Redwood City, California

Dear Mr. Wilson:

The estimated cost of excess road to drill site on the Two Jim property in Silver Peak, Nevada is $6,000.00 If job done on an hourly basis -

D8 Cat with Dozer and Ripper - $25.00 per hr.

Compressor and Drill - $15.00 per hr.
plus cost of powder.

Yours very truly,

Elton Parsons Construction

MID-CONTINENT MINING CORP.

Annual Report

(Discussion through March 1968)

1967

FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 1967

MID-CONTINENT MINING CORP.

Uranium Center Building
GRAND JUNCTION, COLORADO 81501

March 29, 1968

To the Stockholders of

MID-CONTINENT MINING CORP.:

Because of the increasing number of stockholders, now approximately 4,500, many of whom are unfamiliar with the Corporation's activities, it is believed advisable, perhaps at the expense of appearing repetitious, to briefly outline the history of the Corporation. A short discussion will cover: the litigation involving the Nevada silver-gold properties; the present status of the Nevada properties; plans to refinance the Corporation to carry out additional general exploratory and development work; and the future plans of the Corporation relative to uranium and silver production.

The Corporation, organized in 1954 as a uranium company, has been exploring, developing, and mining uranium properties located in the Colorado Plateau area and in New Mexico since its inception. During 1963 the company became interested in several silver-gold properties in Nevada. Leases and options were acquired on three properties, another was purchased outright, and two other prospects were acquired by staking claims covering the exposures. By September, 1964 the Corporation had spent in Nevada $180,000 in property acquisition, royalty payments, claim staking, and in exploration and development work. The principal costs involved a surface plant and the acquisition of mining equipment at the Sixteen-to-One property and the driving of a 1,000-foot crosscut tunnel from the surface to intersect the vein at a depth of 500 feet below the surface. Although the results of this work were highly encouraging, the Corporation's finances were seriously depleted and it was necessary to take in a partner to complete the overall program.

In September, 1964 the Corporation entered into an agreement with Sunshine Mining Company of northern Idaho (the major domestic producer of silver for the past 25 years) whereby Sunshine would continue to finance the program to the amount of $350,000, at which time they would own two-thirds of the Corporation's interests in the Nevada properties, and then would carry the Corporation for its one-third interest into the mining and milling stages, if such a program might be warranted. The following May the long-time management of Sunshine, with which the Corporation had negotiated, lost out to a dissident group in a proxy fight, and the principal executives were shortly disassociated with the company. The new management continued to finance the Nevada operations, up to the $350,000 mark, but it was then necessary to shut down the exploration and development program, as Sunshine refused to advance further money.

In the fall of 1966 the board of directors of the Corporation adopted a resolution proposing that the name of the corporation be changed to Mid-Continent Mining Corp. This resolution was voted upon and passed at the last annual meeting, based on the reasoning that the company's activities since mid-1963 have been directed primarily toward the exploration and development of its silver-gold properties in Nevada.

RESUME OF LITIGATION

1. On May 3, 1966, shortly after the property was shut down, the Corporation's representatives met with Sunshine's management in San Francisco. Sunshine demanded a deed conveying its two-thirds interest in the properties, which the Corporation agreed they had earned, but the Corporation refused to deed to Sunshine this interest without a formal agreement with continuing work commitments to further explore and develop the mine and to proceed to the mining and milling stages according to the terms of the original agreement.

2. On June 10, 1964 the Corporation's secretary-treasurer was served with a Complaint filed by Sunshine in the U. S. District Court for the District of Colorado, demanding a conveyance of their two-thirds interest in the Nevada properties. The Corporation filed for a change of venue to Reno, Nevada, as all the principal witnesses for the Corporation were located in Nevada and near-by San Francisco. The change of venue petition was heard on September 30, 1966 in the U. S. District Court in Denver and was denied.

3. At Sunshine's request several meetings were held during the summer and fall of 1966 between the Corporation's and Sunshine's attorneys and officers to determine if our differences could be resolved out of court, but without success.

4. On December 28, 1966, Sunshine filed a motion for injunctive relief requesting the Court to instruct the Corporation to execute a deed conveying to Sunshine two-thirds of the Corporation's interest in the Nevada properties, and further stating that Sunshine was willing to make the final payment of $72,500 on the Sixteen-to-One property.

5. A hearing was held on January 12, 1967, at which time the attorneys for both parties agreed on a temporary compromise. The Corporation executed a deed conveying two-thirds of the Corporation's interest in the Nevada properties to Sunshine, and Sunshine made the final payment of $72,500 due on the Sixteen-to-One property. The motion for injunctive relief was then withdrawn by Sunshine. Both parties reserved the right to litigate in full all issues in controversy between them in the pending litigation. No action taken pursuant to the meeting constituted an admission against interest by either party as to any of the issues in controversy between the parties.

6. The Corporation's attorneys filed Answers and Counterclaims in the U. S. District Court for the District of Colorado on January 12, 1967 to Sunshine's original Complaint. The Corporation alleged that Sunshine had not been damaged in any manner, and requested the Court declare a judgment interpreting said contract requiring Sunshine to expend monies, in good faith, monthly, on a regular basis, to bring all of said properties into production, to construct a mill and to advance all of the sums on behalf of both Sunshine and the Corporation.

7. Many meetings were held throughout 1967 between the parties and their attorneys, and on October 26th the parties arrived at a tentative agreement for a settlement. This agreement stipulated that Sunshine continue a predetermined exploration and development program for a six-month period, at the end of which time they would have an additional 45 days to evaluate the results of the program. On or before June 10, 1968, Sunshine will notify the Corporation in writing whether or not Sunshine is willing to enter into a standard operating agreement with a view towards developing a commercial operation on the Sixteen-to-One property. If Sunshine does not elect to enter into an operating agreement Mid-Continent shall thereupon have an option for 12 months from the date of the notification in which to purchase, or arrange for the purchase by others, of the interests of Sunshine in the Nevada properties at a total cash price of $1,500,000, plus the cost of the exploration and development since last October. If Sunshine elects to enter into an operating agreement, Sunshine will be the operator and advance all money necessary for the work, and all money advanced by Sunshine in excess of the first $350,000.00 will be recovered by Sunshine from net profits realized from the sale of ore, concentrates, or bullion derived from the Nevada properties and no net profits will be distributed to other than Sunshine until these advances are repaid.

SIXTEEN-TO-ONE MINE—NEVADA

General Geology

The Red Mountain and Silver Peak districts contain three distinct geologic units. The oldest recognized unit forms the basement complex and consists of highly metamorphosed sediments that are intruded by masses of acidic rocks. This unit in the Silver Peak area consists mainly of limestones and schists and are the host rocks for the veins mined in the Mary and Black Mammoth gold mines, located from three to four miles northerly from Silver Peak. The silver-gold properties under discussion are located from eight to twelve miles westerly from Silver Peak.

The Esmeralda formation, which is directly over the basement complex, consists of coarse-to-medium-grained clastic rocks—conglomerates, breccias, sandstones and shales, having a wide variety of colors; red, purple, brown, yellow, gray and white. This formation is exposed north and south of the Nivloc mine, which is located eight miles west of Silver Peak and two miles east of the Sixteen-to-One mine.

Overlying the Esmeralda formation is a series of Tertiary volcanic extrusive flows comprised of numerous lithologic units. From the bottom to the top these units vary from basalt to andesite, rhyolite flows and tuffs, andesite porphyry, hornblende andesite, red latite agglomerate and on top, red latite porphyry. This series forms all the central and higher regions west of the Nivloc mine. The wall rock of the present workings of the Sixteen-to-One mine consists of these Tertiary volcanic flow rocks. One diamond drill hole from the surface penetrates the vein 600 feet below the tunnel level, and the wall rock is still mixed rhyolite breccia and andesite. Accordingly, the actual depth to the Esmeralda formation, which was the wall rock of the most productive horizon in the Nivloc mine, which was developed to a depth of 1,100 feet below the surface, is not known. Considering the similarity of the general geology and of the hydrothermal fissure type vein structures of the Nivloc and Sixteen-to-One, it is reasonable to assume that the Sixteen-to-One orebody may also go to a depth of 1,000 feet to 1,500 feet below the tunnel level.

Vein Structure

Outcrops of the Sixteen-to-One vein are rather poor in values, and the assays are about 0.08 ounces of gold and 1.0 to 3.0 ounces of silver per ton. The vein widens to 10 to 12 feet in three shallow shafts, and assays range from 2.0 to 7.0 ounces of silver per ton. At depths of 400 to 800 feet below the outcrop the vein widens to thicknesses up to 50 feet, containing zones within the vein of higher gold values averaging 13.5 feet wide and assaying 0.20 ounces in gold and 18.41 ounces in silver per ton. Considering **commercial** widths, draw point 6-E, for instance, shows an ore zone 22.5 feet wide assaying 0.04 ounces of gold and 20.34 ounces of silver per ton. (Refer to map of underground workings.) Where cut by the crosscut tunnel, the main vein is 31 feet wide, with an ore zone 13.34 feet wide averaging 15.53 ounces of silver and 0.08 ounces of gold per ton. Diamond drill hole No. 8 shows a true vein thickness of 49.4 feet. The commercial widths just mentioned are based on silver at $1.29 per ounce. (Refer to the discussion on the map page of the relationshin of vein widths to the price of silver.)

The Sixteen-to-One vein in the drill holes and as exposed in the tunnel is comprised mainly of white quartz, banded light and dark quartz, and calcite, usually as separate parts of the vein. The values are contained mainly in the white quartz and banded quartz.

Underground Development

A 1,000-foot crosscut tunnel was driven from the surface to intersect the vein at a depth of 400 feet below the outcrop. The main development and haulage drift has been driven on the hanging wall vein, from which mucking machine draw points have been driven through the main vein on 35-foot centers. The veins are now developed on this level for a strike length of 700 feet of continuous ore.

Since Sunshine began work in the fall of 1967 they have extended the northeast drift an additional distance of 150 feet, and driven raises in the veins as follows: (refer to map) one hanging wall raise, 50 feet above the sill; main vein raise, 40 feet above the sill; DP-3E raise, main vein, 60 feet above the sill; DP-5E raise, main vein 85 feet above the sill; and DP-5E exploration raise, main vein, 200 feet above the sill, with crosscuts to the hanging wall and footwall at the 100-foot and at the 150-foot elevations. In addition, a 250-foot crosscut was driven in the hanging wall opposite DP-7E for a diamond drill station. At the present time work continues in DP-5E exploration raise, as well as in a crosscut being driven towards the footwall from near the northeast drift face. Drilling is in progress from the hanging wall crosscut to complete a pattern of three fences of holes, designed to intersect the vein structures at elevations from 250 feet to 400 feet below the tunnel level. Because of the continuing work, it is too early to completely assess the results of the Sunshine program. Although the diamond drilling program will not be completed for another month or so, the assays from all samples taken from the raises and the northeast drift gave a weighted average of 23.60 ounces of silver per ton.

Ore Reserves

In calculating the "Probable" ore reserves 13 draw points crosscutting the main vein, and five diamond drill holes were used as data for figuring tonnage and grade. It is admitted that these data do not have equal areas of influence, as the draw points and two of the drill holes are on the 7,200-foot level. It is, however, important to point out that the actual silver content of the ore sampled in seven of the draw points in the vicinities of two of the drill holes is almost thirty per cent higher than the silver values as found in the two drill holes. This difference is probably due to loss of part of the friable native silver in the drill sludge and the loss of core in the softer zones of the veins.

At the time the exploration and development program carried out by Mid-Continent was stopped in May, 1966, the Corporation's engineers estimated probable ore reserves as follows:

(Based on $1.293 per ounce silver)

Vein	Tons of Ore	Width Ft.	Value/Ton	Total Value
Main	376,737	13.57	$21.22	$7,994,359
HW West	33,080	4.00	20.80	688.395
HW East	33,580	6.00	32.14	1,079,261
	443,397			$9,762,015

The exploration and development work that Sunshine is now completing has not greatly increased the above estimates, as most of the work has consisted of raises being driven above the tunnel level within the boundaries of the ore block used by Mid-Continent in estimating ore reserves. This work has, however, changed an appreciable per cent of the ore reserves from the category of Probable to Proven. By the time the present program is completed the Proven reserves may be in the range of 200,000 tons.

The following chart indicates the increase in tonnage and value of the ore: (Still based on $1.293 per ounce for silver)

Vein	Tons of Ore	Width Ft.	Value/Ton	Total Value
Main	408,743	13.57	21.22	$ 8,673,526
HW West	33,080	4.00	20.80	688,395
HW East	62,205	5.72	32.15	1,999,891
	504,028			$11,361,812

The above tonnage and grade of ore at $2.50 per ounce for silver would have a value of $41.64 per ton and a total value of $21,000,000.

The following chart indicates the tonnage and value of the ore: Based on $2.50 per ounce for silver; (refer to discussion on map page).

Vein	Tons of Ore	Width Ft.	Value/Ton	Total Value
Main	779,178	25.87	$26.89	$20,952,096
HW West	33,080	4.00	39.37	1,302,360
HW East	62,205	5.72	60.34	3,753,450
	874,463			$26,007,906

Av. Value/ton=$29.74 x 95% recovery=$28.25/ton.

Estimated Production Costs

(Based on 874,463 tons at $2.50 per ounce silver)

		Per Ton
Development Cost (Future)*	$635,642	$0.73
250 T/D Mill (Cost $3,500/TD)	875,000	1.00
Stoping cost, labor, supplies		2.24
Secondary blasting & mucking		0.17
Tramming (below adit level)) Total		0.24
Hoisting (to adit level))		
Tramming (adit level) 874,463 Tons		0.17
Trucking to mill (2 miles)		0.15
Total Development, Mining & Mill Const. Cost		$4.70
Milling Cost, est.		$ 4.25
Mill ponds, road improvement		0.10
Power transmission, transformers, etc.		0.13
Production and property taxes**		1.00
General overhead expenses (Use 25%)		2.25
	TOTAL	$12.73

* The Figure $635,642 is the estimate to completely develop presently-known ore reserves. However, reserves above the adit (est. 300,000 tons) could be developed in 10 months at a cost of approximately $150,000, including additional equipment, and could supply the mill with ore for four years, if necessary, while the ore reserves below the adit level were being developed. The above is based upon an average width of 25.87 feet and $2.50/oz. Ag.

**Approximately 6½% of net operating profit.

The above tonnage and grade estimates for Probable ore reserves and estimated production costs have been developed by the Corporation's engineers without consultation with Sunshine Mining Company. The Corporation is unaware of Sunshine's estimates of ore reserves or production costs.

NIVLOC MINE—NEVADA

The Nivloc mine is located about eight miles westerly from Silver Peak, Nevada. There are thirty-two unpatented claims comprising the group. During August, 1964 Mid-Continent and the former Sunshine management jointly purchased the Nivloc property for the sum of $15,000.

The main productive period at the Nivloc mine was from 1937 until 1943, producing silver and minor amounts of gold, when the property was operated by Braylorne, Ltd., of Canada. A 250-ton cyanide mill was operated until the fall of 1943, when rising costs and wartime restrictions closed down the mine and mill. During the spring of 1965 a complete surface plant was installed by the Corporation at the Nivloc mine, and the 600-foot vertical shaft was rehabilitated and the inclined shaft from the 600 level to the 800 level was repaired. Although the mine has been developed to a depth of 1,100 feet, it was found that the inclined shaft was completely caved below the 800 level. Examinations of all accessible workings were made and it was found that most of the levels were so badly caved that it was impossible to gain access to the extremity of the workings east and west where the main orebodies are reported to exist.

In 1948, when the workings were still accessible, an engineer for a major mining company completed a report which estimated an ore reserve of 680,857 tons of "mill-grade" ore remaining in the mine. Old production records indicate the mine produced in excess of 400,000 tons of ore when prices ranged from 35c to 45c per ounce for silver. At the time the mine was shut down in 1943, the management was seriously considering the advisability of sinking two new shafts from the surface at both the east and west end of the property. Although there are no immediate plans to reopen the mine, a price of $2.50 per ounce for silver would undoubtedly make an operation profitable.

BURBANK GROUP—LIBERTY MINE—NEVADA

The Burbank group of three patented claims, the Utica and Grayside patented claims, and the unpatented Razzar claim, all contiguous, are located 23 miles by road north of Tonopah, Nevada in Nye County. The principal value of the ore is in silver, which occurs in a Permian volcanic. The property has a 600-foot inclined shaft with workings on three levels.

The claims are located approximately 4,000 feet south of the center of an area where Anaconda Mining Company has been drilling for the past 11 years on a disseminated moly-copper deposit. The strike of the Liberty inclined shaft is north toward the area being drilled by Anaconda. Anaconda has staked over 200 claims which surround the Corporation's patented claims. The Corporation owns one-sixth undivided interest in the three Burbank claims and one-half undivided interest in the Utica, Grayside, and Razzar claims. Anaconda reports that the exploration has revealed a low-grade orebody 4,000 feet in diameter, with a known depth of 2,000 feet, and that mining will be an open pit operation.

URANIUM-VANADIUM PROPERTIES

Mid-Continent presently retains an interest in 344 unpatented uranium claims comprising approximately 6,800 acres in Colorado, Utah, and New Mexico. The Corporation at the present is actively investigating several other potential uranium and silver properties with the intention of acquiring additional claims that can be placed into production.

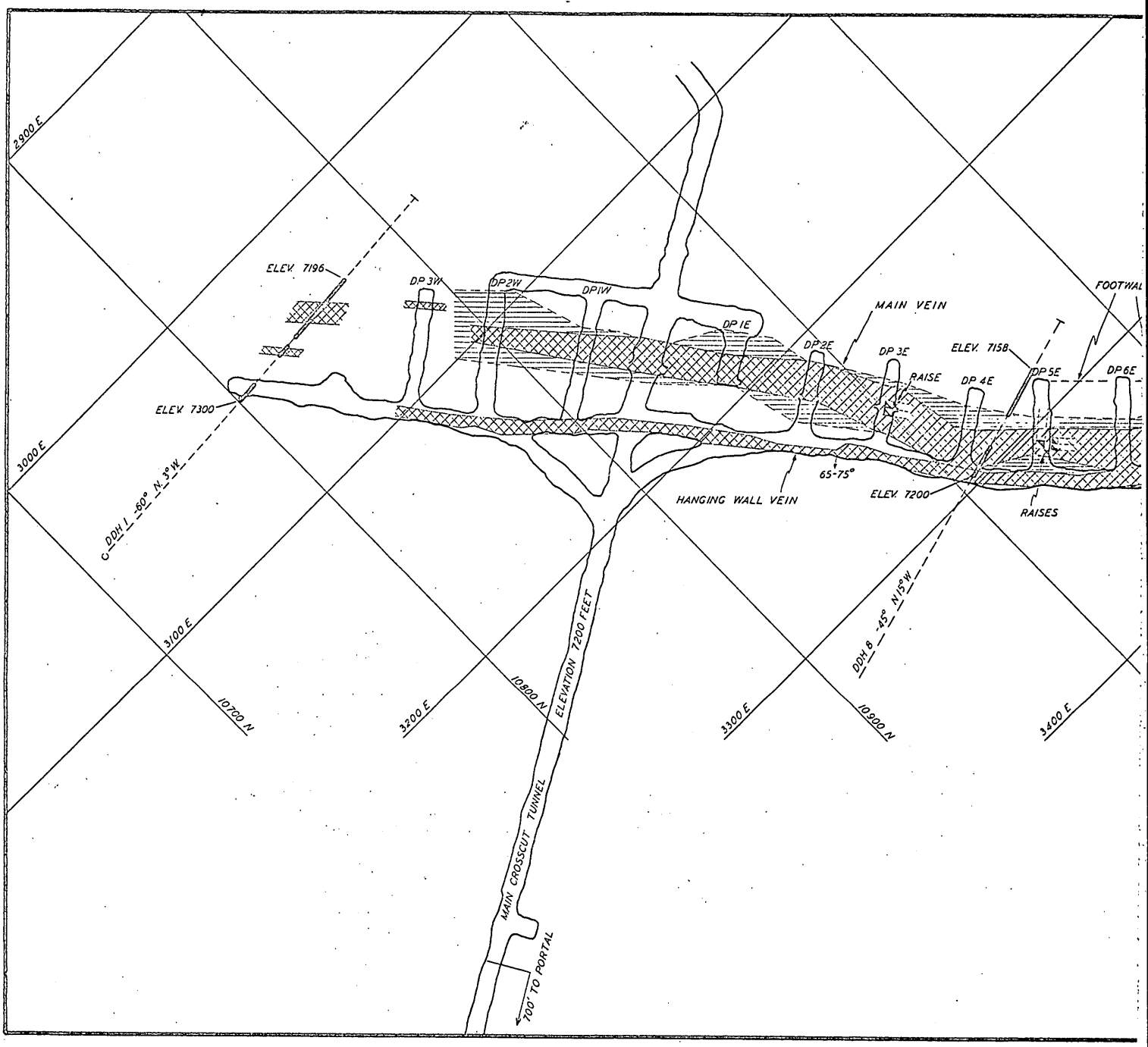
Summary—Uranium-Vanadium Properties:

Property	Number of Claims	Interest Held by Mid-Continent	Outstanding Royalties	Present Status
Utah				
John Group	9	80%	None	Leased, being drilled
MC Group	12	100%	None	Leased, being drilled [1]
Pond & Shubert Group	32	100%	None	Leased, to be drilled
Red Canyon Area	71	100%	None	Potential area
La Sal Area	9	100%	None	Leased, not operating
Dugout Group	53	90%	None	Recently staked
Buck Group	110	50%	None	Recently staked
Colorado				
Hamm Canyon Group	21	100%	None	Leased, operating [2]
New Mexico				
West Sandstone Group	5	100%	1%	Retained
White Cap Group	5	33⅓%	1%	Leased, operating [3]
Barbara J Group	17	100%	1%	Leased, being drilled

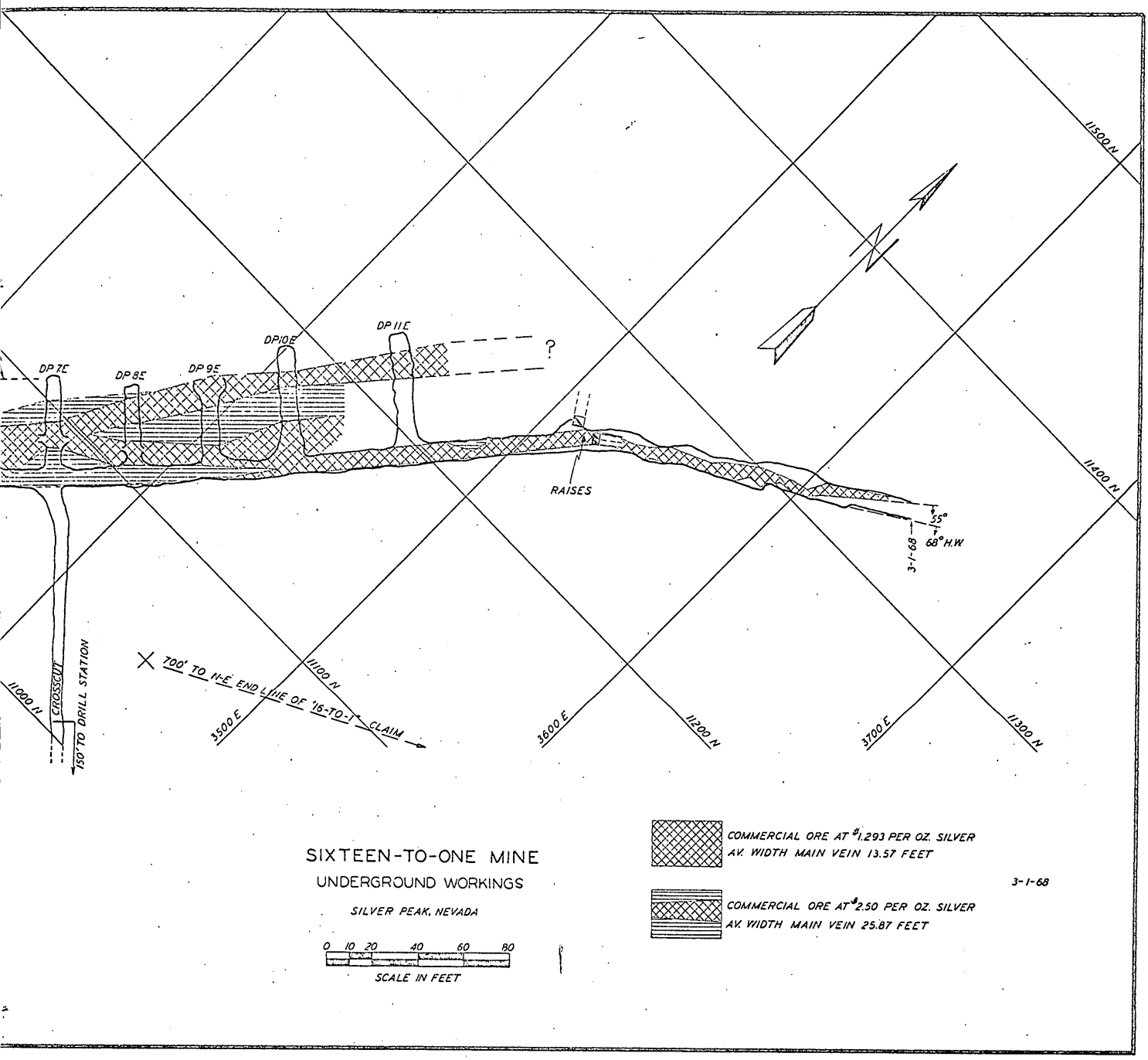
[1] Drilling to date by Cordero Mining Co., at a cost of $48,851, has indicated so far 11,500 tons of ore averaging 0.40 per cent U_3O_8. Depth is 500 feet.

[2] Production to January 1, 1968, by Strategic Minerals Exploration Co., lessee, amounted to 16,286 dry tons of ore having a gross value of $453,207. Royalty to Mid-Continent amounted to $50,340.

[3] Production to January 1, 1968, by Farris Mines, Inc., amounted to 5,432 tons of ore having a gross value of $62,337. Royalty to Mid-Continent amounted to $3,028.



The future price of silver has a definite bearing on the commercial width of the main vein that would be mined and on the size of the mill to be constructed. If silver reaches $2.50 per ounce, which may happen before the end of 1968, the average mineable width of the main vein could be increased from 13.57 feet to 25.87 feet, and the probable tonnage could be increased, within the presently known limits, from 408,743 tons to 779,178 tons. This increase in estimated tonnage is due to the fact that the present commercial zone within the main vein has assay hanging wall and footwall limits. Adding to this the tonnage from the hanging wall vein, the total increase in tonnage, at $2.50 per ounce silver, is from 504,000 tons to 874,463 tons. The final determination of the width of the vein to be mined in any particular part of the orebody will depend upon several factors: the ounces of silver per ton; the recoverable value of the other metals



per ton; the price of silver at the time of mining and milling; the cost of production; and the size of the mill (a larger operation generally reduces the overall cost per ton.) It should also be stressed that the orebody has not been delineated either along the strike or at depth. Note that the main orebody has not been explored easterly past draw 11E. In calculating tonnage, the length of the main orebody has been considered to be only from a point 25 feet westerly of diamond drill Hole No. 1 to a point 20 feet easterly of draw point 11E—a total strike length of 600 feet. Probable ore reserves above the adit level (estimated at 300,000 tons based upon an average width of 25.87 feet at $2.50 per ounce silver) could be developed in 10 months at a cost of about $150,000, including additional equipment and could supply the mill with ore for four years, if necessary, while the ore reserves below the adit level were being developed.

THE SILVER MARKET

For years the Government controlled the price of silver by selling it at the artificial price of $1.29 an ounce. In our last annual report the prediction was made that the Treasury Department could not hold the price at this figure much longer regardless of the Treasury's repeated statements that the price could be maintained for several years.

The Treasury's abandonment of fixed price silver sales came just two months after the department, on May 18, 1967, banned exports of its silver stocks and confined treasury sales to legitimate industrial consumers. The day after the ban, London bullion dealers quoted silver at $1.654 an ounce, and U. S. companies, such as American Smelting and Refining and Bunker Hill Company, as well as several major Canadian companies, began to buy ore and concentrates at London prices.

The Myers Service of Calgary, Canada, the only one to correctly forecast the recent moves of the Treasury Department in ending its silver sales, now see $3 silver within one year and at $10 an ounce within two to four years. (It also predicts that gold will go to $100 an ounce in 1968). Indicator Digest recently stated the deficit between supply and demand will keep silver prices climbing, with occasional pauses for profit-taking on the futures market. It looks for silver to go to $2.50 during 1968.

The copper strike during the last half of 1967, which also seriously affected the lead-zinc industry, greatly reduced silver production, and this slowdown in base metal output also lowered domestic production of gold and silver. About 50% of the nation's silver reserves are in porphyry-copper deposits, about 40% in lead-zinc ores, and about 9% in straight silver ores such as found in the silver-belt mines of the Coeur d'Alene District of northern Idaho, and in former Nevada districts such as Virginia City and Tonopah.

Many international monetary authorities, such as Dr. Franz Pick of New York, predict the devaluation of the dollar is less than a year off. Essentially this means a rise in the price of gold, perhaps to $105 an ounce in the not-so-distant future. They predict when this occurs, silver will go to $3.50 per ounce if gold goes to $70, and silver to $5 to $6 per ounce if gold goes to $105 per ounce. Further predictions are that the Treasury may recover 100 million ounces of silver from melting subsidiary coins, but that this will be just enough for the nation's additional strategic needs for 1968. Apparently the deficit between supply and demand will still remain close to 150 million ounces per year. Silver futures, always a true barometer of market changes, have gone from below $2 in mid-1967 to $2.677 for July, 1968. During March, 1968 silver has increased in price from $1.83 per ounce to $2.39 on March 18th, and leveled off at $2.25 at the end of the month.

THE URANIUM MARKET

The Atomic Energy Commission, through its Grand Junction (Colorado) Office, purchased 8,425 tons of U_3O_8 in concentrate at a cost of $134 million from 14 ore processing mills in the United States in 1967. Estimated available uranium ore reserves in the U. S. amount to 61.6 million tons of ore containing 145,000 tons of U_3O_8 in concentrates. Compare these reserves with the AEC's latest forecast which indicates that U. S. nuclear power plants will have an installed generating capacity of 120,000 to 170,000 net electrical megawatts by 1980. Based upon the average, the cumulative uranium requirements will be about 250,000 tons of U_3O_8 by 1980 and the yearly demand will approach 40,000 tons—almost five times the 1967 production, and close to twice the known reserves. An eight-year ore reserve in 1980, which is considered to be the minimum to meet continued expansion, is estimated at 400,000 tons of U_3O_8. Accordingly, production plus reserves required from now until 1980 would be about 650,000 tons of U_3O_8, which will require new discoveries exceeding 500,000 tons of U_3O_8. The total investment in exploration and production facilities required is estimated in excess of $1 billion.

With the current emphasis on uranium exploration and development, the uranium industry completed over 10 million feet of surface exploratory and development drilling during 1967. It is estimated the industry will spend about $77 million drilling a total of 53.8 million feet of holes in the four years 1967-1970.

ADDITIONAL OFFERING

In the Corporation's last Annual Report plans were discussed to raise additional working capital to further acquire, explore and mine uranium and silver-gold-copper properties, and to tide the Corporation over until the Nevada silver-gold properties were in production. An Offering Circular under Regulation A, General Exemption from Registration under the Securities Act of 1933, was prepared and the final draft, submitted to the Securities and Exchange Commission, could have become effective with the filing of certain minor amendments. It was the intention of the Corporation to act as its own agent and the shares were to be offered only to existing shareholders of the Corporation who were bona fide residents of those states whose Blue Sky Laws provide an exemption from registration of securities offered to existing shareholders of the issuer. Upon advice of counsel, the Regulation A filing was withdrawn in November 1967, due to the unsettled status of the litigation with Sunshine.

The Corporation is presently considering an additional offering, possibly under a full registration under the Securities Act of 1933, probably sometime in mid-summer of this year. One important problem involved is the present inability to accurately determine the amount of financing to be required. Until Sunshine makes its decision in June to either go ahead and put the Sixteen-to-One mine into production, or else gives the Corporation a 12-month option on their interest, the Corporation will be unable to determine this question. If Sunshine elects to go ahead with the Nevada program, the amount of money required to explore and develop the Corporation's uranium and other properties may be in the range of $500,000 to $600,000. If Sunshine elects not to go ahead, the Corporation may: (a) require from 2½ to 3½ million dollars—to purchase Sunshine's interest in the Nevada properties, to build a mill, and to place the Sixteen-to-One mine and probably the Nivloc mine into production, as well as to carry out the exploration and development program planned for the Corporation's uranium properties; or (b) arrange for a third party to take over Sunshine's position, in which event the Corporation will require only the first mentioned amount to carry out the exploration and development of the Corporation's other properties.

MID-CONTINENT MINING CORP.

BALANCE SHEETS

September 30, 1967 and September 30, 1966

(Without Audit, Note 1)

ASSETS

	September 30, 1967	September 30, 1966
CURRENT ASSETS		
Cash in banks	$ 4,330.65	$ 13,489.81
Accounts receivable		
Sunshine Mining Company (Note 2)	10,380.37	11,644.54
Other	2,648.65	1,426.47
Equipment held for sale	1,350.26	1,350.26
Prepaid expenses	268.91	278.83
	$ 18,978.84	$ 28,189.91
PROPERTY AND EQUIPMENT, at cost		
Mining properties	280,063.48	$283,510.93
Exploration costs	101,022.46	103,782.89
Development costs	214,563.34	214,563.34
Machinery and equipment	26,558.35	26,558.35
Furniture and fixtures	4,031.57	3,548.01
	$626,239.20	$631,963.52
Less accumulated depletion and depreciation	231,425.71	227,908.67
	$394,813.49	$404,054.85
OTHER ASSETS		
Deposits	$ 624.00	$ 1,332.86
Organization expense	2,717.08	2,717.08
	$ 3,341.08	$ 4.049.94
Total	$417,133.41	$436,294.70

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	$ 1,167.61	$ 2,169.28
Accrued expenses	2,500.76	1,826.34
Loans payable—officer (Note 3)	25,000.00	
Accrued state income taxes	10.00	10.00
	$ 28,678.37	$ 4,005.62
OTHER LIABILITIES (Note 4)		
STOCKHOLDERS' EQUITY		
Capital Stock		
Par value $.01 a share; authorized 8,000,000 shares; issued 5,612,047 shares including treasury shares	$ 56,120.47	$ 56,120.47
Capital surplus	535,576.48	535,576.48
Retained earnings (deficit)	(170,275.36)	(126,441.32)
	$421,421.59	$465,255.63
Less treasury stock at cost 554,145 shares	32,966.55	32,966.55
	$388,455.04	$432,289.08
Total	$417,133.41	$436,294.70

The accompanying notes to financial statements are an integral part hereof.

STATEMENT OF INCOME AND RETAINED EARNINGS

For the Fiscal Years Ended September 30, 1967 and 1966

(Without Audit, Note 1)

	September 30, 1967	September 30, 1966
INCOME		
Royalties	$ 12,828.68	$ 20,871.18
EXPENSES		
Administrative expense (Note 5)	$ 50,365.52	$ 35,880.07
New Mexico ad valorem taxes	233.39	233.27
Royalties	108.17	74.53
	$ 50,707.08	$ 36,187.87
Operating profit (loss) before depletion and depreciation	$(37,878.40)	$(15,316.69)
Depletion and depreciation (Note 6)	2,458.10	15,368.42
Net operating profit (loss)	$(40,336.50)	$(30,685.11)
OTHER INCOME		
Recoveries		$ 5,064.96
Sundry Services (Note 7)	$ 4,656.78	1,113.70
Interest		801.65
	$ 4,656.78	$ 6,980.31
	$(35,679.72)	$(23,704.80)
OTHER DEDUCTIONS		
Property abandonment	$ 8,144.32	$ 18,235.89
Loss on sale of capital assets		1,586.44
Provision for state income taxes	10.00	10.00
	$ 8,154.32	$ 19,832.33
NET INCOME (LOSS)	$(43,834.04)	$(43,537.13)
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	(126,441.32)	(82,904.19)
RETAINED EARNINGS (DEFICIT), END OF YEAR	$(170,275.36	$(126,441.32)

The accompanying notes to financial statements are an integral part hereof.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year Ended September 30, 1967

(Without Audit, Note 1)

FUNDS PROVIDED			
Operations:			
Net income (loss)		$(43,834.04)	
Add non-cash expenses and charges			
Depletion and depreciation	$2,458.10		
Property abandonment	8,144.32	10,602.42	$(33,231.62)
Loans from officer (Note 3)		$ 25,000.00	
Deposits recovered		708.86	
Decrease in working capital		8,883.82	$ 34,592.68
Total funds provided			$ 1,361.06
FUNDS APPLIED			
Investments in fixed assets—net			$ 1,361.06
Total funds applied			$ 1,361.06

NOTES TO FINANCIAL STATEMENTS

1. The Corporation's books have not been audited for the fiscal year ended September 30, 1967. These statements were prepared by the Corporation's accounting department.

2. Effective September 16, 1964, Mid-Continent Uranium Corp., now Mid-Continent Mining Corp., entered into an agreement with Sunshine Mining Company for exploration and development of certain Nevada mining properties.

Essentially, the agreement stipulated that, upon expenditures by the latter company of $350,000 for exploration and development, Sunshine Mining Company and Mid-Continent Mining Corp. would execute the necessary deeds and conveyances to the end that these certain properties would be owned two-thirds by Sunshine Mining Company and one-third by Mid-Continent Mining Corp. The agreement also recited that, following conveyance of the two-thirds interest in the properties to Sunshine Mining Company, that company would carry Mid-Continent Mining Corp. for its one-third of the additional expense necessary to place the properties into production, and would recover this one-third from initial production before Mid-Continent would share in net income.

Prior to June 10, 1966, Sunshine Mining Company had expended $350,000 for exploration and development, of the subject properties, and on June 10, 1966 filed suit against Mid-Continent Mining Corp. in the United States District Court for the District of Colorado, alleging breach, among other charges, in Mid-Continent's failure to convey a two-thirds interest in the subject properties to Sunshine Mining Company. Mid-Continent Mining Corp.'s answer and counterclaim alleges, among other charges, that Sunshine Mining Company had breached with respect to other provisions of the agreement. As of the balance sheet date, final determination of the rights of the parties had not been made. However, some progress had occurred as the result of certain actions taken pursuant to a stipulation entered into on January 12, 1967. As provided for by the stipulation, Mid-Continent conveyed to Sunshine a two-thirds interest in the Nevada mining properties, and Sunshine paid $72,500 to exercise the option on the Sixteen-to-One mine in addition to reimbursing Mid-Continent in the amount of $8,750 for expenditures made on the subject property.

Subsequent to the balance sheet date, a stipulation was entered into between Sunshine and Mid-Continent providing for the dismissal of all litigation with prejudice, and for negotiations on a satisfactory operating agreement. Final determination of these negotiations has not yet been made but the terms and conditions of the stipulation are satisfactory to Mid-Continent, and the conditions of the operating agreement have been approved.

3. On May 1, 1967 Norman Ebbley, President of Mid-Continent Mining Corp. loaned the Corporation $10,000; on June 20, 1967 he loaned the Corporation $7,000; and on September 20, 1967 he loaned the Corporation $8,000, a total of $25,000. All of these loans are covered by notes bearing 8% interest per annum and they are secured by a mortgage on the Corporation's interest in the Sixteen-to-One mine property. The notes are all due May 1, 1968, but they all contain a provision that they may be extended from time to time.
4. Counsel employed by Mid-Continent Mining Corp. for the conduct of litigation between Sunshine Mining Company and Mid-Continent, and for other special activities for Mid-Continent, have agreed to accept common stock in Mid-Continent in lieu of cash payment for their fee. A final determination of the amount has not yet been made, but it will be resolved by Mid-Continent's Board of Directors at an appropriate time.
5. Actual expenditures for administrative expense were about the same during fiscal years 1966 and 1967, but during fiscal year 1966 a certain amount of these expenditures were charged to another company to compensate the Corporation for services rendered to this company.
6. The capitalized costs of the mining claims which produced most of the Corporation's royalty income became totally depleted during October, 1966. This accounts for the reduction in depletion taken during fiscal year 1967.
7. Effective July 1, 1967 the Corporation terminated the services of the Registrar and Transfer Company as transfer agent and commenced acting as its own transfer agent. It also commenced charging the transferees fifty cents for each new stock certificate issued. Income for sundry services includes $2,534.50 for these services.

GENERAL

From the time the Corporation was organized in 1954 the stock transfers were handled by the Registrar & Transfer Company of New Jersey. Because of increasing costs and the Corporation's lack of finances, it was decided, in July, 1967, to have the Corporation do its own stock transfer work. This has proven to be a fortunate change because of the exceptional increase in stock activity. For the past several months the average of certificate transfers has increased over 15 times the monthly average for the past ten years. During the past six months the number of Corporation shareholders has increased from about 3,100 to approximately 4,500. Although considerable more office personnel is required to handle the certificate transfers, a charge of 50 cents per certificate has made this operation self supporting.

The Corporation recently accepted the resignation of Norman E. Gillespie, of West Warwick, R. I., a building materials supplier and general contractor, who has been a director and officer of the Corporation for the past eight years. Mr. Gillespie stressed the pressure of his own business activities as his reason for resigning from the Corporation. Management takes this opportunity to express appreciation to Mr. Gillespie for his many worthwhile contributions to the Corporation while serving as a director.

For several years prior to 1967 the Corporation's common stock has been in the range of 8 cents to 35 cents. The range of the bid and ask price as quoted in the National Daily Quotation Sheets for the year 1967 and through March, 1968 has been as follows:

	Year 1967		Jan. 1, 1968 to March 15, 1968		Latest Date March 29, 1968	
	Bid	Ask	Bid	Ask	Bid	Ask
High	$1.05	$1.20	$3.00	$3.20	$2.50	$2.75
Low	0.15	0.20	1.25	1.50	2.38	2.63

Management welcomes inquiries from the Corporation's shareholders, and will continue the policy of advising the shareholders from time to time as to the progress and activities of the Corporation. On behalf of the Board of Directors we wish to acknowledge our appreciation for the excellent service of our employees and for the continued interest and support given to us by our shareholders.

Respectfully submitted for the Board of Directors,

Norman E. Ebbley, President

OFFICERS

Norman E. Ebbley ..... President and General Manager
Norman E. Gillespie ..... Vice President
Mark D. Dunn ..... Secretary and Treasurer

DIRECTORS

Norman E. Ebbley
Norman E. Gillespie
Mark D. Dunn
John I. Schumacher
George W. Day

TRANSFER AGENT

Mid-Continent Mining Corp.
Uranium Center Bldg.
Grand Junction, Colorado
81501

GENERAL COUNSEL

McNichols, Nigro & Baldridge
400 Denver Hilton Office Building
Denver, Colorado

AUDITORS AND ACCOUNTANTS

ROBERT W. COE
Certified Public Accountant
Grand Junction, Colorado

This report is published solely for the information of the company's stockholders, and is not a representation, prospectus, or circular in respect of any stock or security, and is not transmitted in connection with any sale or offer to sell or buy any stock or security now or hereafter to be issued or with any preliminary negotiations for such sale. No representation is made as to either the completeness or accuracy of the information contained herein.

MINING LEASE AND OPTION TO PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into on this 24th day of April, 1967, by and between JAMES W. GAVIN and MARIE S. GAVIN, husband and wife, JAMES O. WIKE and JEAN WIKE, husband and wife, parties of the first part, all of Silver Peak, Nevada 89047, hereinafter collectively referred to as the Lessors, and EARL J. GREEN and BEVERLY H. GREEN, husband and wife, of 3509 Altamont Way, Redwood City, California 94061, and JACK W. WILSON and PEARL M. WILSON, husband and wife, of 3776 Red Oak Way, Redwood City, California 94061, parties of the second part, hereinafter collectively referred to as the Lessees,

WITNESSETH:

For and in consideration of the premises and the covenants and agreements of the respective parties hereto, herein set forth, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. Definitions:

It is hereby agreed that certain words and phrases used throughout this agreement shall be defined or construed as follows:

A. "Mining claims", as used herein, means the hereinafter described unpatented lode mining claims, together with all additional claims or mining property situated within 1,500 feet of the exterior boundaries of any of the following described mining claims located or otherwise acquired by the Lessors after the date of execution of this agreement and during the term thereof, which said mining claims are more particularly described in the Certificates of Location thereof which appear of record in the office of the County Recorder of Esmeralda County, Nevada, under the claim names and in the books and at the pages set forth below, as follows:

BEKO & LEMON
ATTORNEYS AT LAW
TONOPAH, NEVADA

NAMES OF CLAIMS	BOOK of Mining Locations at	PAGE
TWO JIM	1R	319
TWO JIM NO. 1	1R	319
TWO JIM NO. 2	1R	320
TWO JIM NO. 3	1R	320
TWO JIM NO. 4	1R	321
TWO JIM NO. 5	1R	321
TWO JIM NO. 6	1S	144
TWO JIM NO. 7	1S	145
TWO JIM NO. 8	1S	145
TWO JIM NO. 9	1S	146

TOGETHER with all the dips, spurs, angles, ore-dumps and tailings situated thereon or therein, or appurtenant thereto.

B. "Advance royalty", as used herein, means the amount required to be paid by Lessees to Lessors, on a date or on the dates specified herein, in anticipation of production royalty, to guarantee a specific monthly return to Lessors. Advance royalty shall be payable in the specified amount where no production royalty has accrued during the preceding calendar month; where production royalty during the preceding calendar month does not equal the advance royalty requirement, then only the difference between the production royalty and the advance royalty shall be payable; where the production royalty during the preceding calendar month equals or exceeds the advance royalty, no advance royalty shall be due or payable.

C. "Production royalty", as used herein, means the compensation or portion of proceeds becoming payable by the Lessees to the Lessors, or to be credited against advance royalty payments, arising from mining operations upon the mining claims.

D. "Mining operations", as used herein, includes any and every type of operation upon said mining claims, whereby materials are extracted or taken or mined therefrom, whether by mining or milling, or by any other method or means of any nature, kind or type.

E. "Production", as used herein, means the mining and reduction of products into a marketable form or condition, and if any product is

mined in such condition that it can be marketed without further beneficiation, and is so marketed without further beneficiation, such shall be deemed to be production.

F. "Products", as used herein, means, but is not limited to, any and all quicksilver, tungsten, gold, minerals, metals, values, sands, gravels, rare earths, rare metals, ores, monazite, zircon, ilmenite, garnet, magnetite, chrome ores, cinnabar, aggregates, and any and all other materials of every kind and nature removed for purposes of sale by the Lessees, from, on, in or under the mining claims.

G. "Processing", as used herein, means, but is not limited to, mining, milling, collecting, saving, separating, sizing, jigging, reducing, smelting, or otherwise beneficiating any products to such extent as may be necessary to prepare the same in final condition for marketing.

H. "Net mill or smelter returns", as used herein, and upon which production royalties are to be paid by the Lessees, means the gross amount of money, in whatever form received, including any and all bonuses, premiums and rewards, directly or indirectly received from the sale by Lessees of any products removed by the said Lessees from the mining claims, or any part thereof; however, for the purpose of computing production royalty payable to Lessors hereunder, such gross amount of money shall be computed on the basis of the average quotation for such products contained in the Engineering and Mining Journal for the month in which such sales occurred or on the actual selling price for such products, whichever shall be the higher, after first deducting therefrom the actual costs of processing, cargo insurance, and transportation of ores from mine to mill and/or smelter.

BEKO & LEMON
ATTORNEYS AT LAW
TONOPAH, NEVADA

2. Grant of Lease:

The Lessors, for and in consideration of the rents, royalties, covenants, conditions and agreements hereinafter reserved and set forth, and by the Lessees to be kept and performed, have leased, let and demised, and by these presents do hereby lease, let and demise, unto the said Lessees, their heirs and assigns, all of the mining claims described above, and the appurtenances, for the purpose of exploring, sampling, mining, processing and any uses incidental thereto.

3. Term:

This agreement shall take effect on the date hereinabove written and shall, unless earlier terminated as provided herein, continue in full force and effect subject to the terms and conditions herein contained for a period of five and one-half (5 1/2) years to October 31, 1972, at midnight.

4. Conduct of Mining Operations:

Lessees shall enter upon said leased property forthwith and, commencing on the effective date of this agreement, shall begin working on said premises, and shall work the same in proper, skillful and miner-like fashion and in a manner necessary to good and economical mining so as to take out the greatest amount of ore possible with due regard to safety and the preservation and development of said property as a workable and productive mine.

5. Non-Responsibility; Indemnity:

Lessees shall immediately record in the office of the County Recorder of Esmeralda County, Nevada, a proper notice consistent with Section 108.140 of Nevada Revised Statutes, relieving the Lessors from any and all liability or responsibility for mining operations on the said mining claims, for materials furnished in connection therewith, and/or from any injuries to persons or damages to property occurring or committed on said property, or as a result of the mining operations conducted thereon by the said Lessees, their

agents, contractors, employees, sub-lessees, or assigns.

Lessees covenant to indemnify and hold Lessors harmless against all losses, damages, liens, claims, costs, attorneys' fees and expenses, and liability therefor, incurred by Lessors in any way arising as a result of the mining operations of the Lessees or their occupancy of the mining claims.

6. Notices to Mine Inspector:

Lessees covenant with the Lessors to mail to the State Inspector of Mines, at Carson City, Nevada, prior to the commencement of mining operations, and not later than June 1 in each year during the term hereof, a written, detailed report, in compliance with Section 512.160, Nevada Revised Statutes, showing (a) the character of the mine, (b) the number of men then employed and the estimated maximum number of men to be employed during the ensuing year, (c) the method of working the mining claims, and (d) the general condition thereof.

7. Compliance with Labor Laws:

Lessees shall promptly pay when due all wages for work done, and shall comply with all laws, both federal and state, pertaining to mining and milling operations, including but not limited to, the carrying and maintaining of Nevada Industrial Accident Insurance on employees, and, upon request, to provide written proof of such coverage to the Lessors.

8. Warranty of Ownership:

Lessors represent to the Lessees that that they are the owners of the mining claims subject, only, to the paramount interest of the United States of America; that the same have been validly located and are in good standing under the applicable mining laws of the State of Nevada and of the United States pertaining to unpatented mining claims; that proof of the discovery and assessment work have been recorded in the office of the county recorder in the county in which said claims are situated; that there are no present

outstanding preferential rights of purchase with respect to said mining claims granted by the Lessors to others; that all taxes, if any, which may be applicable, have been paid; that the said mining claims are not in any manner encumbered as a result of any conduct or activity by the Lessors; that they have no knowledge of, and have received no notice of, any asserted ownership in conflict with the locations of the said mining claims, with the exception that there may be overlapping exterior boundaries for the purpose of precluding the existence of claim fractions; that they have full and complete authority to execute this agreement and grant the rights herein conferred.

9. Possession; Inspection:

During the term of this agreement, and so long as Lessees perform all of the terms and conditions required herein, Lessees shall have the right to exclusive possession of the said mining claims and appurtenances, subject, however, to the permission hereby granted to the Lessors, their agents or representatives, to have access to said mining claims at any and all reasonable times for the purpose of inspecting or examining the same, such entry and inspection to be made and conducted at the sole risk of the Lessors.

10. Royalties; Place of Payment:

Lessees shall pay to the Lessors a royalty of ten per cent (10%) of the net mill or smelter returns on all products mined, milled or extracted from said property.

Commencing on the 1st day of November, 1967, and on or before the first day of each consecutive calendar month thereafter, the Lessees shall pay to the Lessors a monthly advance royalty, or the production royalty hereinabove reserved, whichever is the greater, as follows:

November 1, 1967 through October 1, 1968:	$1,000.00
November 1, 1968 through October 1, 1969:	$1,750.00
November 1, 1969 through October 1, 1970:	$2,500.00
November 1, 1970 through October 1, 1971:	$3,250.00
November 1, 1971 through October 1, 1972:	$4,000.00

All payments required to be made hereunder shall be paid to the Lessors at their addresses above set forth, unless and until the Lessors shall give written notice of a change of address. If an escrow is established as hereinafter provided, all payments shall be paid to the escrowee for the benefit of the Lessors.

Under no circumstances shall the Lessees tender to the Lessors, nor shall the Lessors be obligated to accept, any payments or portions thereof, which in the aggregate would be in excess of 29% of the total purchase price during any calendar year during the term hereof.

Upon the complete payment of the purchase price set forth above, all rights of the Lessors in and to the said mining claims, or appurtenances, shall cease and determine.

It is acknowledged by the Lessors that James W. Gavin and Marie S. Gavin are the owners of an undivided sixty-five per cent (65%) interest an d that James O. Wike and Jean Wike are the owners of an undivided thirty-five per cent (35%) interest in said mining claims. Accordingly, payments made under the terms of this agreement shall be paid directly to the Lessors in the proportion of their ownership by the Lessees or escrowee, if an escrow is established.

11. Records of Production:

It is understood and agreed between the parties hereto that copies of original settlement invoices on all products processed and sold from said mining claims shall be filed monthly by the Lessees with the Lessors on or before the 15th day of each month relating to all processed products from the said mining claims for the preceding calendar month, accompanied in each case by check in payment of the production royalties accrued as a result of said production.

12. Force Majeure:

Neither of the parties hereto shall be liable to the other for failure to perform the obligations required to be performed hereunder for such period of time as failure of performance is caused by strikes, Acts of God or national war emergency or government restrictions. This provision shall not, however, relieve the Lessees of their obligation to make payments as required hereunder.

13. Assessment Work:

Lessees shall perform all annual assessment work required by law in order to hold the mining claims for each assessment year, as defined by statute, during the entire term of this lease or any extensions thereof, and shall record in the office of the county recorder of the county in which said mining claims are situated, proper proof, in affidavit form, of the completion of the same, both the performance of work and the recording to be completed by the Lessees at their sole expense at least fifteen days prior to the date required by law for such recordation annually. It is provided, however, that if this agreement is terminated or abandoned on or before the first day of July in any such assessment year, the Lessees shall be under no obligation to perform the assessment work for such assessment year or thereafter. If this agreement is terminated or abandoned after the first day of July in any assessment year, Lessees shall have the right to enter upon said mining claims at any time or times during the remainder of the assessment year for the purpose of performing or completing the above required assessment work for said assessment year.

14. Progress Reports:

Lessees shall furnish to the Lessors, at least bi-monthly, a written progress report reciting in detail any engineering data, assay reports, drill reports and logs, and other information pertinent to the exploration and

development of said mining claims.

15. Option to Purchase:

For the further and additional consideration of the sum of Ten Dollars ($10.00), paid by the Lessees to the Lessors, the receipt whereof is hereby acknowledged, the Lessors do hereby give and grant to the Lessees, their heirs, successors and assigns, the exclusive right, privilege and option to purchase and acquire said mining claims, for the sum of ONE HUNDRED FIFTY THOUSAND DOLLARS ($150,000.00), without interest, in current lawful money of the United States of America, payable in strict accordance with the terms of the foregoing lease agreement relating to advance and production royalties, all of which shall apply to and be credited against the total purchase price. Any balance remaining unpaid through the payment of such royalties at the conclusion of the term hereof, or any extensions thereof, shall be paid in cash at the conclusion of such term or extension.

16. Title Examination; Sampling; Escrow:

Lessors give and grant to the Lessees a period of 180 days in which to examine title to the mining claims, and for the purpose of drilling, exploring and sampling said mining claims. At the expiration of said period, and the Lessees being satisfied with such record title and the results of their exploration, upon written request of the Lessees, the Lessors shall execute a mining deed of conveyance of the said mining claims to the Lessees, or their assigns, and shall deposit the same with Nevada Title Guaranty Company, Post Office Box 548, Tonopah, Nevada 89049, which is hereby designated as escrowee for the parties hereto, with instructions to said escrowee to deliver said mining deed to the Lessees upon the complete performance of the terms and conditions of the option to purchase herein contained. Concurrently therewith, the Lessees shall deposit a quitclaim deed releasing all of their right, title and interest in and to said mining claims, in favor of the Lessors, with

instructions to deliver such quitclaim deed to the Lessors upon the termination, forfeiture or abandonment of this lease and option agreement. All escrow opening fees shall be borne solely by the Lessees; however, any collection charges levied by the escrowee on payments collected through escrow shall be deducted by the escrowee from payments made by Lessees for the benefit of the Lessors.

17. Nonseverability of Provisions:

This lease agreement and the option to purchase herein included shall be considered and construed as a single instrument, and the failure to perform any of the terms and conditions in the lease agreement, or the option to purchase agreement, shall constitute a violation or breach of this entire instrument or agreement and shall constitute a basis for cancellation and termination.

18. Assignment, Sub-Lease:

Lessors give and grant to the Lessees the right and privilege of assigning or sub-leasing their interest herein; provided, however, that any assignment or sublease shall be void unless the Lessees shall give written notice of such assignment or sub-lease within twenty days of the date of execution of said assignment or sub-lease to the Lessors, setting forth therein the names and mailing addresses of the assignees.

19. Improvements.

At the termination of this lease by lapse of time, forfeiture or otherwise, the Lessees agree to deliver up to said Lessors the said mining claims in as good condition as when received, allowing for the mining and development thereon by the Lessees. In the event of the abandonment, termination or cancellation of the interest of the Lessees herein, as hereinafter set forth, it is understood and agreed that all improvements, including rail and pipe in place, made in or about the said property by the Lessees and affixed

to the realty and constituting a part thereof, together with operational maps, assays and reports, shall remain the property of the Lessors; but all property of a personal nature, including machinery, tools, or equipment, subject to removal without damage to the real property or improvements, may be removed therefrom by the Lessees within sixty (60) days from the date of such abandonment, cancellation or termination, failing which the same shall revert to the Lessors. Any and all water rights, applications or certificates of appropriation which are acquired by the Lessees in connection with the mining operations contemplated herein shall be expressly subject to this provision.

20. Termination:

In the event that the Lessees shall fail to make any payment or payments as herein provided or shall fail to perform each and every covenant, term and condition as herein provided, the Lessors may, after twenty-five (25) days' notice in writing given to Lessees within which to cure said default or violation, and provided said default has not been corrected during said 25-day period, declare said lease and option to purchase forfeited, cancelled and terminated, and enter and repossess all of the property herein leased and optioned, with or without process of law.

21. Abandonment:

Lessees shall have the right to abandon their interest created herein, in the following manner:

(a) If an escrow has not been established, then written notice of abandonment shall be delivered to the Lessors, together with a quitclaim deed executed and acknowledged by the Lessees in favor of the Lessors releasing all of the right, title and interest of the said Lessees in and to the said mining claims.

(b) If an escrow has been established, written notice shall be

delivered to the escrowee instructing the escrowee to deliver to the Lessors the quitclaim deed of the Lessors deposited in escrow, together with all other instruments deposited in said escrow.

In either event, following the delivery of such notice of abandonment, as aforesaid, the Lessees shall be under no further obligation or liability, excepting for the performance of annual assessment work if abandonment occurs after July 1st as provided in paragraph 13 above, and excepting for the payment of any royalties earned but not paid prior to abandonment, and for the payment of any labor or material claims incurred during the mining operations, or occupancy, of said mining claims.

22. Taxes:

All general ad valorem tax levied or assessed against the mining claims, appurtenances or improvements, shall be pro-rated as of the date of execution of this agreement; thereafter, during the entire term hereof, unless the interest of the Lessees shall have been terminated, forfeited, or abandoned, responsibility for such ad valorem taxes shall rest solely with the Lessees.

Responsibility for the tax imposed by Sections 362.100 to 362.240, inclusive, of Nevada Revised Statutes, known as the Net Proceeds of Mines tax, including any amendments or revisions thereof, shall be borne by the parties hereto in the same proportion as production royalties are distributed. Depletion allowances shall be claimed or allowable in the same proportion.

Any other taxes which may be enacted during the term hereof, excepting personal income taxes, shall be borne solely by the Lessees.

23. Non-Partnership:

This agreement shall not constitute or be construed to constitute a partnership, mining partnership, joint venture, or joint operation. The full control and determination as to manner, extent and character of mining

operations, subject only to the restrictions of paragraph 4 above, shall be determined by Lessees without interference from Lessors.

24. Patent Proceedings:

Upon the request of Lessees at any time or times during the term hereof, Lessors forthwith shall begin and complete, in Lessors' names but at the sole expense of the Lessees, proceedings to patent any or all of the mining claims. Lessors shall execute any and all documents required for this purpose. If Lessors begin patent proceedings and Lessees thereafter request Lessors to discontinue them, or if this agreement is terminated while patent proceedings are pending, Lessees shall have no further obligation with respect thereto except to pay any unpaid expenses accrued in such proceedings prior to their request to discontinue, or prior to termination, whichever first occurs.

25. Bankruptcy; Insolvency:

It is agreed that the filing of a petition in bankruptcy by the Lessees, or the adjudication that the Lessees are bankrupts, or an assignment for the benefit of creditors, or the levy of an execution against the interest of Lessees in said mining claims to enforce or satisfy any judgment against Lessees not stayed within thirty (30) days by an appeal bond shall permit the Lessors to cancel this agreement, and Lessees shall forfeit all their rights to the possession of the mining claims, and that neither this agreement, nor any of Lessees' rights hereunder, shall ever be an asset of the estate of the Lessees in the event that they are bankrupts or file a petition in bankruptcy under the bankruptcy laws of the United States, or make an assignment for the benefit of creditors.

26. Time of Essence; Inurement:

Time is of the essence of this agreement, and the same shall be binding upon and inure to the benefit of all of the heirs, administrators,

executors, successors and assigns of the parties hereto.

27. Notices.

Any notice required or permitted to be given hereunder shall be deemed properly given upon delivering the same personally to the party to be notified, or upon mailing such notice, by registered or certified mail, return receipt requested, postage prepaid, to the party to be notified, at the addresses hereinabove set forth, or such other address as the party to be notified may have designated prior thereto by written notice to the other. Where the United States mail is utilized to effect service of notice, the date of mailing, plus 48 hours, shall constitute the date of delivery.

28. As a material consideration for the execution of this lease, the Lessees do hereby promise to pay tothe Lessors the sum of TWO THOUSAND FIVE HUNDRED DOLLARS ($2,500.00) upon the execution of this agreement, and in addition thereto, the said Lessees shall have performed a survey of the said mining claims, no later than October 31, 1967, by a licensed mineral land surveyor within the State of Nevada, at the sole expense of the Lessees, and to furnish a plat thereof to the Lessors without cost to Lessors.

29. Interpretation; Construction:

The paragraph captions or headings in this agreement are inserted for convenience only, and shall not be considered a part of this agreement, or used in its interpretation. Such captions in no way define, limit, or describe the scope or intent of this Mining Lease and Option to Purchase Agreement, and are for reference only.

This agreement shall be governed by the laws of the State of Nevada and by the laws of the United States of America applicable to the location and possession of, and title to, the said mining claims.

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

LESSORS:

James W. Gavin

Marie S. Gavin

James O. Wike

Jean Wike

LESSEES:

Earl J. Green

Beverly H. Green

Jack W. Wilson

Pearl M. Wilson

BEKO & LEMON
ATTORNEYS AT LAW
TONOPAH, NEVADA

STATE OF NEVADA)
) ss.
COUNTY OF)

On this 16 day of ~~April~~ June, 1967, before me, the un dersigned, a Notary Public in and for the county and state aforesaid, personally appeared JAMES W. GAVIN, MARIE S. GAVIN, JAMES O. WIKE and JEAN WIKE, known to me to be the persons named in and who executed the within and foregoing instrument, and they 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 on the day and year in this certificate first above written.

JEWEL E. PARSONS
NOTARY PUBLIC, STATE OF NEVADA
ESMERALDA COUNTY
My Commission Expires Nov. 6, 1969

Jewel E. Parsons
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF San Mateo)

On this 4th day of May, 1967, before me, the undersigned, a Notary Public in and for the county and state aforesaid, personally appeared EARL J. GREEN, BEVERLY H. GREEN, JACK W. WILSON and PEARL M. WILSON, known to me to be the persons named in and who executed the within and foregoing instrument, and they acknowledged to m e 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 on the day and year in this certificate first above written.

SHARON R. WEVERS
NOTARY PUBLIC – CALIFORNIA
PRINCIPAL OFFICE IN
SAN MATEO COUNTY
My Commission Expires July 12, 1970

Sharon R. Wevers
Notary Public

OFFICIAL
COPY
O. N. I.
RECEIVED
JUL 1 1968
INITIALS CODE

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 19th day of April, 1968.

J. O. Wike (Seal) _____ (Street) Silver Peak, Nevada (City & State)
J. O. Wike

Jean Wike (Seal) _____ (Street) Silver Peak, Nevada (City & State)
Jean Wike

Marie S. Gavin (Seal) _____ (Street) Silver Peak, Nevada (City & State)
Marie S. Gavin

James W. Gavin (Seal) _____ (Street) Silver, Peak, Nevada (City & State)
James W. Gavin

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

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

I, Jack W. Wilson (Name), certify that I am the President (Title—Secretary, etc.) of the corporation named herein; that Jack W. Wilson (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.

_____ (Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 21103

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Esmeralda, State of Nevada,

described ~~as follows:~~ 2/ in a lease dated April 24, 1967, and recorded in Books 1R and 1S, Pages 319, 320, 321, 144, 145, and 146, official records of said county.

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Houserock Uranium Corporation 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.

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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.

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(Corporate Seal)

ME Form 7
2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/21/68	Peterson	120
	(on leave)	120
		110
		220

OCT 22 1968

AIRMAIL

Mr. Jack W. Wilson, President
Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Re: OME-6739 (Silver and Gold)
Houserock Uranium Corporation
Two Jim Claims
Esmeralda County, Nevada

Dear Mr. Wilson:

This will acknowledge your letter of October 19 in which you indicate that Houserock Uranium Corporation has transferred its interest in the subject property to Mr. B. M. Clem of Los Altos, California.

We are, therefore, considering your application as having been withdrawn and are placing it in our inactive files.

Should Mr. Clem wish to continue with this case, he may do so by filing a new application under his name, referring to this OME docket number, and supplying the information pertinent to his proposal. This information should include new bank correspondence dated within 90 days of filing the new application, but need not repeat data already furnished.

The new material should be submitted in duplicate to our office in Menlo Park, California.

Sincerely yours,

FRANK E. JOHNSON (gh)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Mr. B. M. Clem
Consulting Geologist
1521 Awalt Court
Los Altos, California 94022

cc: Director, Resource Life
OME Reading File
Region II w/copy of incoming ltr. 10/19/68
Mr. Peterson
ECPeterson/bsl 10/22/68

6739

ORIGINAL
COPY
O. M. E.
RECEIVED
OCT 21 1968
INITIALS CODE
Ja 130
Ds 120 M
FJ 110
EJ 120 P

Houserock Uranium Corp.
3776 Red Oak Way
Redwood City, Calif.

October 19, 1968

Frank E. Johnson
Chief, Office of Minerals Exploration

Copy to Region

Dear Sir,

I have transferred the mining lease to Mr. B. M. Clem, a geologist, and his investment group. He has drilled several holes on the Two Jim silver property and is planning on sending you assays and details on the drill cores.

He drilled one hole through the vein, that outcrops, at depth and found it to be a true quartz vein some 12 feet thick with silver that assays some 20 oz / ton. The argentite carrying rock is another 40 some feet thick. We had drilled through argentite also in our one hole but did not drill deep enough to penetrate the quartz vein.

Mr. Clem's second hole was some 300 feet southwest of the first on the side closest to the 16:1 mines workings. He missed the vein in that hole and has since concluded from surface mapping that there is a fault present which displaced the vein some 250 feet to the northwest. This would agree with the same apparent displacement on the 16:1. He feels that the best method of developing the property is to drive a drift clear across the vein structurtes. He is planning to contact your office in the next week or so.

He has talked to Mr. Stager about this in your Menlo Park Office.

Since Mr. Clem will be processing the loan request under his name from this point on, I am sure he would appreciate any suggestions that you may have.

His full name and address are as follows:

Mr. B. M. Clem, Consulting Geologist
1521 Awalt Court
Los Altos, California

Very truly yours,

Jack W. Wilson

Jack W. Wilson
President H.U.C.

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/7/68	Peterson	120
		120
		110
10/7	Cac	220
		120M

OCT 7 1968

AIRMAIL

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Re: OME-6739 (Silver and Gold)
Houserock Uranium Corporation
Two Jim Claims
Esmeralda County, Nevada

Gentlemen:

We have not had a reply to our letter of September 6, 1968. If you require additional time to prepare the information previously requested, please let us know. If we do not receive a reply from you within thirty days from the date of this letter, we will assume that you are no longer interested in proceeding with your application and shall consider it as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON (gle)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geolgoy File
OME Docket
OME Reading File
Region II
Mr. Peterson

ECPeterson/bsl 10/7/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/6/68	Peterson	120
	Sirberson	120
		110
9/6	CAE	220
		120M

AIRMAIL

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Re: OME-6739 (Silver and Gold)
Houserock Uranium Corporation
Two Jim Claims
Esmeralda County, Nevada

Gentlemen:

On July 5, 1968, we wrote you outlining certain information which was necessary to continue the processing of your application. To date, we have not received these data. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON (glc)

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 9/6/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/5/68	Peterson	120
	On leave	120
		110
		220
		120M

AIRMAIL

JUL 5 1968

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Re: OME-6739 (Silver and Gold)
Houserock Uranium Corporation
Two Jim Claims
Esmeralda County, Nevada

Gentlemen:

Our review of your application for financial assistance indicates that additional information is needed to continue its processing.

As the information furnished is insufficient for us to determine whether eligible minerals may occur in the areas you wish to explore, we suggest that representative samples be taken of the target vein outcroppings and assayed. Information as to the location of samples taken, how sampled, sample widths, and copies of the assay certificates should be forwarded for our evaluation.

Also required is a map or sketch that correctly shows the location of the proposed work and its relation to the target veins and to the old workings. Indicate the strike, dip, width, and known length of the veins. The Two Jim Nos. 7, 8, and 9 claims should also be shown as they were not indicated on the map furnished.

Since Earl and Beverly Green retain an interest in the Jim property, it will be necessary for you to furnish Lien and Subordination Agreements signed by these individuals. Six copies of the agreements (MME Form 52) are enclosed for your possible use.

We shall be pleased to continue the processing of your application upon receipt of the requested information. However, nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/gla 7-5-68

Enclosures

July 1, 1968

Houserock Uranium Corporation
3776 Red Oak Way
Redwood City, California 94061

Subject: OME-6739

Gentlemen:

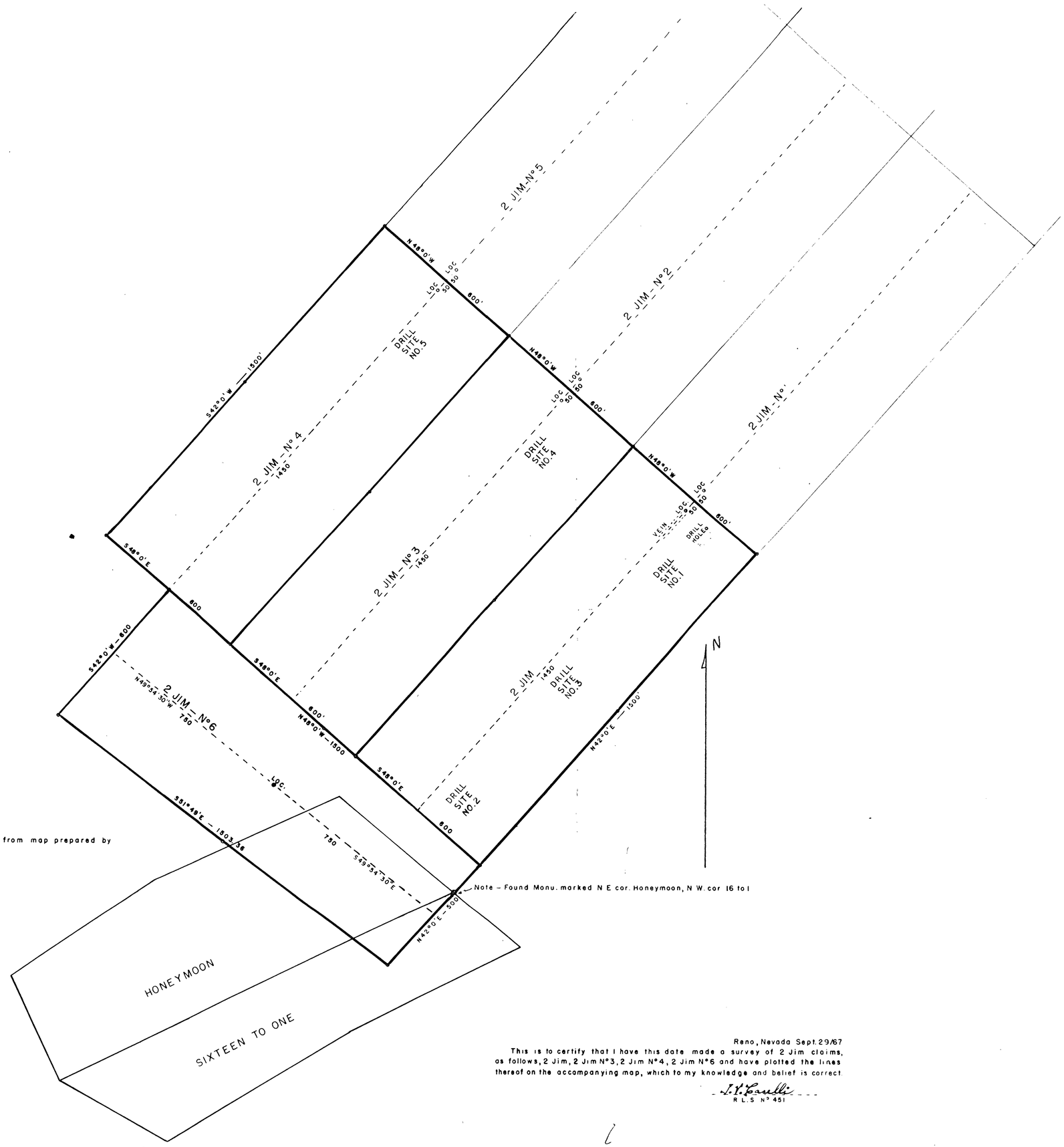
Your application for exploration assistance, dated April 23, 1968, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6739.

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



Note,
Information on 16 to 1 claims taken from map prepared by
E.G. Baker, 12/6/61, plat Nº29

Reno, Nevada Sept. 29/67
This is to certify that I have this date made a survey of 2 Jim claims, as follows, 2 Jim, 2 Jim Nº3, 2 Jim Nº4, 2 Jim Nº6 and have plotted the lines thereof on the accompanying map, which to my knowledge and belief is correct.

J.V. Caselli
R.L.S Nº 451

0 200 400 600 800 1000

SURVEY PLAT

OF

2 JIM, 2 JIM Nº3, 2 JIM, Nº4, 2 JIM Nº6
FOR
HOUSE ROCK URANIUM
SILVERPEAK, NEVADA

SCALE 1" = 200 FT

SURVEYED BY —
J.V. CASELLI
RENO, NEVADA