MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2312 Docket No. 6886

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] 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
- [x] 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

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I-C-DC-OME-1(a)-75

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OFFICE OF AUDIT AND INVESTIGATION
EASTERN REGION
801 19th STREET, N.W., ROOM 1115
WASHINGTON, D.C. 20240

December 9, 1974

Memorandum Audit Report

To: Director, Geological Survey

From: Regional Audit Manager, Eastern Region
Office of Audit and Investigation

Subject: Report of Review of Contract No. 2312, Docket No. OME 6886, Blue Sphinx, Inc., Portland, Oregon

As requested by the Chief, Office of Minerals Exploration (OME), we have made a cost review of the OME files for contract No. 2312 with Blue Sphinx, Inc. (Operator), made under Public Law 85-701. The review was completed in December 1974, at Washington, D.C.

The contract was awarded on October 26, 1973, for $20,000, the maximum allowable cost of the contract, with OME participating on a 75-percent basis, not in excess of $15,000. The description of the work and items in the estimated cost categories were amended and revised January 17, 1974, with no increase in the total cost estimate.

The Operator was to explore for gold and silver-bearing ores by drilling in a mineralized fault zone cutting volcanic rocks of Tertiary age.

Exploration work began on November 9, 1973, and was completed on February 11, 1974. A final inspection, made on March 14, 1974, by the OME field officer, indicated that complete cores for each of the five holes drilled had been examined and stored, along with the logs and assay results. Drilling results showed that a large body of open-pitting ore was most unlikely. Assay results confirmed a low gold-silver grade, whose values were sub-economic.

The Operator claimed costs of $20,000 of which OME accepted $19,724 and reimbursed the Operator $14,793. We question $252 of costs accepted in excess of the $2,000 maximum authorized in the contract

for supervisor's salary. Article 6 of the contract provides that any excess cost over any estimate which is indicated as the maximum cost of any item is not allowable.

In our opinion the approved costs per audit shown on the accompanying exhibit are allowable in accordance with the terms of contract No. 2312.

If further information is needed concerning this report, please contact me at the above address. Also, please send me copies of correspondence relating to the disposition of the questioned costs within 60 days of this report.

Frank V. Fossati

Attachment

RECEIVED
U.S. GEOLOGICAL SURVEY
DEC 12 1 33 PM 1974
OFFICE OF THE DIRECTOR

Exhibit

Cost Review of Contract No. 2312
Docket No. OME 6886
Blue Sphinx, Inc.
Portland, Oregon

Work Item per Contract	Maximum Cost per Contract	Cost Accepted By OME	Costs per Audit Questioned	Costs per Audit Approved
Actual Costs				
Mobilization and Demoblization of Bulldozer	$100	$100		$100
Bull dozing Access Roads (8 hours @ $20/hr)	160	160		160
Core Drilling (1500' @ $9/ft)	13,500	13,458		13,458
Drilling Additives	200	200		200
Lost Drill bits, rods, casings	260	26		26
Core Boxes (150 @ $1.20/box)	180	180		180
Actual Costs	14,400	14,124		14,124
Fixed Unit Costs				
1 supervisor (2 months @ $1,000/mo)	2,000	2,252	$252	2,000
Consulting Geologists (10 days @ $115/day)	1,150	1,150		1,150
Consultant's Per Diem (10 days @ $25/day)	250	250		250
Consultant's Travel (1,000 miles @ .10/mi)	100	100		100
Fire Assaying (150 samples @ $12/sample)	1,800	1,548		1,548
Office Expenses (3 months @ $100/mo)	300	300		300
Fixed Unit Cost	5,600	5,600	252	5,348
Total Costs	20,000	19,724 1/	252	19,472

1/ Operator billed $20,000, the maximum allowable cost of the contract.

DRAFT/10-3-73

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gpw

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6886	Gold and silver		Mineral	Nevada

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

Blue Sphinx, Inc., a Nevada corporation

whose mailing address is P.O. Box 16195, Portland, Oregon 97216, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 12 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $20,000.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $15,000.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

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

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

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

SEE ANNEX I

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

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B/and are hereby incorporated in and made a part of this contract. B-1 and C

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

_____

_____

_____

_____

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

BLUE SPHINX, INC.
(Operator)

By _____

By _____
Director, Geological Survey

Title _____

_____

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

_____ secretary of the corporation named as Operator herein; that

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

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

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

_____

[CORPORATE SEAL]

EXPLORATION CONTRACT
BLUE SPHINX, INC.
OME-6886

ANNEX I

The land referred to in Article 2 of the Contract consists of thirteen (13) unpatented lode mining claims situated in sections 33 and 34, T. 11 N., R. 32 E., section 1, T. 10 N., R. 32 E., and section 6, T. 10 N., R. 33 E., Mount Diablo Base and Meridian, Boyard Mining District, Mineral County, Nevada.

These claims are shown on Figure 1, entitled "Map showing claims and proposed exploration, Blue Sphinx Mine, Mineral County, Nevada," which is attached and made part hereof.

The claims are recorded in the office of the County Recorder of Mineral County at Hawthorne, Nevada, as follows:

Claim Name	Vol.	Page
Blue Sphinx	12	81
Blue Sphinx No. 1	12	82
Sphinx No. 2	12	203
Sphinx No. 3	12	204
Sphinx No. 4	12	204
Sphinx No. 5	12	205
Sphinx No. 6	34	607
Sphinx No. 7	34	608
Nesta	12	510
Nesta No. 1	12	511
Nesta No. 2	12	511
Nesta No. 3	34	610
Nesta No. 4	34	612

The Operator is in possession of the Sphinx No. 6, Sphinx No. 7, Nesta No. 3, and Nesta No. 4 claims by right of location. The remainder of the claims are held by the Operator by virtue of an Offer by Homer D. Duggins dated June 1, 1972, to and accepted by Blue Sphinx, Inc., assigning a Lease and Option dated August 30, 1971, by and between Manuel R. Negrete (since deceased) and Marie N. Connelly, lessors, and Homer D. Duggins, lessee.

A Lien and Subordination Agreements executed by Marie N. Connelly and dated August 11, 1973, is attached and made part hereof.

In the event the Operator or any subsidiary thereof at any time during the period expiring ten years from the date of this contract acquires any right, title, or interest in or to any land situated within 600 feet of the mining claims shown on Figure 1 previously referred to, the Operator shall promptly notify the Government of such acquisition and furnish a description of the land and the nature of the right, title, or interest acquired, maps and such other data as the Government shall require, and such land automatically shall become subject to the provisions of this Contract as of the date of acquisition.

EXPLORATION CONTRACT
BLUE SPHINX, INC.
OME-6886

EXHIBIT A

The purpose of this Contract is to explore for gold and silver-bearing ores by drilling in a mineralized fault zone cutting volcanic rocks of Tertiary age.

General Provisions

Drill sites and access roads are to be prepared with due regard to preventing unnecessary damage to the surface values of the land or water resources.

A bulldozer no smaller than a Caterpillar D-7 or equivalent model of another manufacturer shall be used to prepare access roads and drill sites.

All drill holes shall be cased as necessary and completed not less than standard NX (nominal diameter 2-1/8 inches) core size or equivalent wire line size.

The Government will not contribute to the cost of holes abandoned without prior Government approval confirmed in writing, casing left in the holes at the request of the Operator, or to holes drilled closer than 100 feet to the outer boundary of the project area.

All drill core shall be stored in boxes identified as to hole number, with markers in the core sections indicating the depths represented.

All core recovered from altered rock in place from hole intervals not exceeding 10 feet shall be split and one split fire assayed for gold and silver using 4 assay-ton charges. The remaining core shall be stored in proper sequence. The stored core shall be available for additional analyses as necessary and for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core.

True copies of assay certificates of all samples analyzed shall be submitted with the Operator's monthly reports, which shall include a log of the drilling completed and data on the location and width of all samples collected and assayed.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work satisfactorily.

Description of the Work

The work shall consist of bulldozing access roads, preparing drill sites, and diamond core drilling from each drill site. The approximate locations of five holes are shown on Figure 1. Each hole shall be drilled approximately 300 feet in a southwesterly direction at an inclination of about minus 60 degrees. The holes shall be about 150 feet apart.

Upon completion of the drilling, the Operator shall restore to its original approximate condition any land surface disturbed by the project work.

Estimated Costs of the Work

Actual Costs

Category (1) Independent Contracts

Mobilization and demobilization of bulldozer	$100.00	
Bulldozing access roads and drill sites 8 hours at $20.00/hr.	160.00	
Core drilling, NX standard or wireline 1,500 feet at $9.00/ft.[1/]	13,500.00	
Drill mud, cement, additives At list price to driller. Total not to exceed	200.00	
Lost drill bits, drill rods, casing At 50% of list price to driller. Total not to exceed	260.00	
Core boxes, 150 at $1.20 each	180.00	
Total Category 1 and Actual Costs		$14,400.00

1/ Includes mobilization and demobilization of all equipment, initial and subsequent set up at each hole, moves between holes, cement time, install and remove casing, water supply, truck and driver, mud mixing equipment, bit costs, labor, fuel, and insurance.

Fixed Unit Costs

1 Supervisor 2 months at $1,000.00/month	$2,000.00	
Consulting geologists 10 days at $115.00/day	1,150.00	
Consultants' per diem 10 days at $25.00/day	250.00	
Consultants' travel 1,000 miles at $0.10/mile	100.00	
Fire assaying for gold and silver 4 assay-ton charges, 150 samples at $12.00/sample	1,800.00	
Office expenses 3 months at $100.00/mo.	300.00	
Total Fixed Unit Costs		$5,600.00
Total Estimated Cost of the Project		$20,000.00
Government Participation at 75 Percent		$15,000.00

Government's Copy

EXPLORATION CONTRACT
BLUE SPHINX, INC.
OME-6886

AMENDMENT NO. 1

It is agreed this 17th day of January, 1974, between the United States of America, acting through the Department of the Interior, U.S. Geological Survey, hereinafter called the "Government", and Blue Sphinx, Inc., hereinafter called the "Operator", that Exploration Contract 2312 (OME-6886), dated October 26, 1973, is amended effective January 17, 1974, as follows:

1. In Exhibit A:

(a) Under General Provisions, the third paragraph, page 1, is revised to read as follows:

"All drill holes shall be cased as necessary and completed not less than standard BX(nominal I.D. 1-5/8") core size or equivalent wire line size."

(b) Under Estimated Costs of the Work, Actual Costs, Category (1) Independent Contracts, page 2, the third item is revised to read as follows:

"Core drilling, standard or wire line, 1,500 feet[1/]
BX or BXWL at $8.50/ft.
NX or NXWL at $9.00/ft. $13,500.00"

2. This amendment shall not be construed to increase the estimated total cost of the Contract, the aggregate amount which the Government may be required to contribute, the amount of any item designated as a maximum, nor the fixed unit cost of any item of work.

Except as herein amended, Exploration Contract 2312 (OME-6886), dated October 26, 1973, shall remain in full force and effect.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kisbemo
Chief, Office of Minerals Exploration
U.S. Geological Survey

Martin 1/15/74
Appd. Sol. Office

BLUE SPHINX, INC.

By Homer Duggins
Title President

Government's Copy

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6886	Gold and silver	2312	Mineral	Nevada

It is agreed OCT 26 1973 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Blue Sphinx, Inc., a Nevada corporation

whose mailing address is P.O. Box 16195, Portland, Oregon 97216, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before DEC 15 1973 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 12 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 20,000.00. The Government will contribute ~~50~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 15,000.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest at the rate of 9 ½% percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

SEE ANNEX I

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

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

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

ARTICLE 4. Contribution by the Government.-- The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

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

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

ARTICLE 6. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

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

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

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

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

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

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

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

(c) The giving of any notice by the Government under the provisions of this Article 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B-1 and C and are hereby incorporated in and made a part of this contract.

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

(e) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

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

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

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

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

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provision.--

Executed in ~~quintuplicate~~ quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

BLUE SPHINX, INC.
(Operator)

By Homer Duggins

Title President

By W. A. Radlinski
Acting Director, Geological Survey

Ferguson 10/23/73
X
Appd. Sol. Office
Kirkham 10/23/73
Toohey 10/24/73
Davis 10/24

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

Jack Mears

[CORPORATE SEAL]

EXPLORATION CONTRACT
BLUE SPHINX, INC.
OME-6886

ANNEX I

The land referred to in Article 2 of the Contract consists of thirteen (13) unpatented lode mining claims situated in sections 33 and 34, T. 11 N., R. 32 E., section 1, T. 10 N., R. 32 E., and section 6, T. 10 N., R. 33 E., Mount Diablo Base and Meridian, Bovard Mining District, Mineral County, Nevada.

These claims are shown on Figure 1, entitled "Map showing claims and proposed exploration, Blue Sphinx Mine, Mineral County, Nevada," which is attached and made part hereof.

The claims are recorded in the office of the County Recorder of Mineral County at Hawthorne, Nevada, as follows:

Claim Name	Vol.	Page
Blue Sphinx	12	81
Blue Sphinx No. 1	12	82
Sphinx No. 2	12	203
Sphinx No. 3	12	204
Sphinx No. 4	12	204
Sphinx No. 5	12	205
Sphinx No. 6	34	607
Sphinx No. 7	34	608
Nesta	12	510
Nesta No. 1	12	511
Nesta No. 2	12	511
Nesta No. 3	34	610
Nesta No. 4	34	612

The Operator is in possession of the Sphinx No. 6, Sphinx No. 7, Nesta No. 3, and Nesta No. 4 claims by right of location. The remainder of the claims are held by the Operator by virtue of an Offer by Homer D. Duggins dated June 1, 1972, to and accepted by Blue Sphinx, Inc., assigning a Lease and Option dated August 30, 1971, by and between Manuel R. Negrete (since deceased) and Marie N. Connelly, lessors, and Homer D. Duggins, lessee.

A Lien and Subordination Agreements executed by Marie N. Connelly and dated August 11, 1973, is attached and made part hereof.

In the event the Operator or any subsidiary thereof at any time during the period expiring ten years from the date of this contract acquires any right, title, or interest in or to any land situated within 600 feet of the mining claims shown on Figure 1 previously referred to, the Operator shall promptly notify the Government of such acquisition and furnish a description of the land and the nature of the right, title, or interest acquired, maps and such other data as the Government shall require, and such land automatically shall become subject to the provisions of this Contract as of the date of acquisition.

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 Mineral, State of Nevada,

described as follows:[2] in record of Mineral Co. mining locations - list of claims: NESTA, Book 12, Page 510; NESTA NO. 1, Bk.12, p.511; NESTA NO. 2, Bk.12, p.511; BLUE SPHINX, Bk.12, ~~p.81; BLUE SPHINX NO. 1, Bk.12, p.82; SPHINX NO. 2, Bk.12 p.203; SPHINX NO.3, Bk.~~ 12, p. 204; SPHINX NO. 4, Bk.12, p. 204; SPHINX NO. 5, Bk.12, p.205; SPHINX NO. 6, ~~Bk.34, p.607; SPHINX NO. 7, Bk.34, p.608; NESTA NO.3, Bk.34, p.610; NESTA NO. 4,~~ Bk.34, p. 612; BLUE SPHINX MILLSITE, Bk.34, p.612; NESTA MILLSITE, Bk.34, p.611.

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

BLUE SPHINX, INC.[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.)

Lease & Option Agreement, copy of which is attached.

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

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

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

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

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

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

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

Dated this 11th day of August, 19 73.

x Marie N. Connelly (Marie N. Connelly)	(Seal)	8810 Etiwanda (Street) Noeth Ridge, CA 91324 (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

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

_____ (Corporate Seal)

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

EXPLORATION CONTRACT
BLUE SPHINX, INC.
OME-6886

EXHIBIT A

The purpose of this Contract is to explore for gold and silver-bearing ores by drilling in a mineralized fault zone cutting volcanic rocks of Tertiary age.

General Provisions

Drill sites and access roads are to be prepared with due regard to preventing unnecessary damage to the surface values of the land or water resources.

A bulldozer no smaller than a Caterpillar D-7 or equivalent model of another manufacturer shall be used to prepare access roads and drill sites.

All drill holes shall be cased as necessary and completed not less than standard NX (nominal diameter 2-1/8 inches) core size or equivalent wire line size.

The Government will not contribute to the cost of holes abandoned without prior Government approval confirmed in writing, casing left in the holes at the request of the Operator, or to holes drilled closer than 100 feet to the outer boundary of the project area.

All drill core shall be stored in boxes identified as to hole number, with markers in the core sections indicating the depths represented.

All core recovered from altered rock in place from hole intervals not exceeding 10 feet shall be split and one split fire assayed for gold and silver using 4 assay-ton charges. The remaining core shall be stored in proper sequence. The stored core shall be available for additional analyses as necessary and for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored core.

True copies of assay certificates of all samples analyzed shall be submitted with the Operator's monthly reports, which shall include a log of the drilling completed and data on the location and width of all samples collected and assayed.

The Operator shall provide such supervision, labor, and technical services as may be required to complete the work satisfactorily.

Description of the Work

The work shall consist of bulldozing access roads, preparing drill sites, and diamond core drilling from each drill site. The approximate locations of five holes are shown on Figure 1. Each hole shall be drilled approximately 300 feet in a southwesterly direction at an inclination of about minus 60 degrees. The holes shall be about 150 feet apart.

Upon completion of the drilling, the Operator shall restore to its original approximate condition any land surface disturbed by the project work.

Estimated Costs of the Work

Actual Costs

Category (1) Independent Contracts

Mobilization and demobilization of bulldozer	$100.00	
Bulldozing access roads and drill sites 8 hours at $20.00/hr.	160.00	
Core drilling, NX standard or wireline 1,500 feet at $9.00/ft.[1/]	13,500.00	
Drill mud, cement, additives At list price to driller. Total not to exceed	200.00	
Lost drill bits, drill rods, casing At 50% of list price to driller. Total not to exceed	260.00	
Core boxes, 150 at $1.20 each	180.00	
Total Category 1 and Actual Costs		$14,400.00

1/ Includes mobilization and demobilization of all equipment, initial and subsequent set up at each hole, moves between holes, cement time, install and remove casing, water supply, truck and driver, mud mixing equipment, bit costs, labor, fuel, and insurance.

Fixed Unit Costs

1 Supervisor 2 months at $1,000.00/month	$2,000.00	
Consulting geologists 10 days at $115.00/day	1,150.00	
Consultants' per diem 10 days at $25.00/day	250.00	
Consultants' travel 1,000 miles at $0.10/mile	100.00	
Fire assaying for gold and silver 4 assay-ton charges, 150 samples at $12.00/sample	1,800.00	
Office expenses 3 months at $100.00/mo.	300.00	
Total Fixed Unit Costs		$5,600.00
Total Estimated Cost of the Project		$20,000.00
Government Participation at 75 Percent		$15,000.00

EXHIBIT B

EQUAL OPPORTUNITY CLAUSE (FEDERALLY ASSISTED CONSTRUCTION)

EQUAL OPPORTUNITY (APPLICANT)

(a) The applicant hereby agrees to incorporate, or cause to be incorporated, into any contract for construction work, or modification thereof, as defined in the rules and regulations of the Secretary of Labor at 41 CFR, Chapter 60, which is paid for, in whole or in part, with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following Equal Opportunity (Federally Assisted Construction) clause:

EQUAL OPPORTUNITY [1] (FEDERALLY ASSISTED CONSTRUCTION)

During the performance of this contract, the Contractor agrees as follows:

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

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

(c) The Contractor will send to each labor union or representative of workers, with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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

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

(f) In the event of the Contractor's noncompliance with the Equal Opportunity (Federally Assisted Construction) clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as provided by law.

(g) The Contractor will include this Equal Opportunity (Federally Assisted Construction) clause in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

(b) The applicant further agrees that it will be bound by the above Equal Opportunity (Federally Assisted Construction) clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided, however,* That if the applicant so participating is a State or local government, the above Equal Opportunity (Federally Assisted Construction) clause is not applicable to any agency, instrumentality, or subdivision of such government which does not participate in work on or under the contract.

(c) The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the Equal Opportunity (Federally Assisted Construction) clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

(d) The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a Contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the Equal Opportunity (Federally Assisted Construction) clause as may be imposed upon Contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings the administering agency may take any or all of the following actions: Cancel, terminate, or suspend, in whole or in part, this grant [contract, loan, insurance, guarantee], refrain from extending any further assistance to the applicant under the program with respect to which its failure or refusal occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

---

[1] On and after Oct. 14, 1968, the term "race, color, religion, sex, or national origin" is substituted for the term "race, creed, color, or national origin," as provided by Executive Order No. 11375, Oct. 13, 1967 (32 F.R. 14303).

EXHIBIT B -1

CERTIFICATION OF NONSEGREGATED FACILITIES

The undersigned hereby certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He further agrees that a breach of this certification is a violation of the Equal Opportunity clause in OME Exploration contracts. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Homer Duggins
Signature

President
Title

November 9, 1973
Date

EXHIBIT C

CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to federally assisted construction contracts and related subcontracts exceeding $10,000 which are not exempt from the Equal Opportunity clause.)

The federally assisted construction contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The federally assisted construction contractor agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Kay-Way Drilling Co. Inc

James R. Kay
Signature

President
Title

11-1-73
Date

MME Form 14
July 1965

Contract No. Idm-E 14-23) 2312

Docket No. DMEA MME) 6886

Date of Action November 23, 1973
Executed Contract

DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

OBLIGATION DOCUMENT

To: Chief, Branch of Budget & Finance

From: Chief, Office of Minerals Exploration

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Blue Sphinx, Inc.
P.O. Box 16195
Portland, Oregon 97216

Date of Contract	Region	State	Commodity
October 26, 1973	II	Nevada	Gold & Silver
	Reserve		Obligation
Prior Amount	$15,000.00		0
Increase	0		$15,000.00
Decrease	$15,000.00		0
Revised Amount	0		$15,000.00

Remarks: Interest rate - 9-1/4%

cc: 110
800
210

MME Form 14
July 1965

Contract No. Idm-E 14-23) 2312

Docket No. DMEA MME) 6886

Date of Action October 26, 1973
~~Approved Contract~~

DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

OBLIGATION DOCUMENT

To: Chief, Branch of Budget & Finance

From: Chief, Office of Minerals Exploration

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:

Blue Sphinx, Inc.
P.O. Box 16195
Portland, Oregon 97216

Date of Contract	Region	State	Commodity
October 26, 1973	II	Nevada	Gold & Silver

	Reserve	Obligation
Prior Amount	0	0
Increase	15,000	0
Decrease	0	0
Revised Amount	15,000	0

Remarks:

Interest rate - 9-1/4%

cc: 110
800
210

United States Department of the Interior

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

April 19, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
APR 23 1973

INITIALS	CODE

Memorandum

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

From: Field Officer
Region II

Subject: New Application (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mine
Mineral County, Nevada

Enclosed is one copy of a new application received in this office April 16, 1973. A duplicate copy is retained in our files.

The application appears to be complete except for the following items.

The claims are leased to Homer D. Duggins, but the lease has not been assigned to Blue Sphinx, Inc., the Applicant.

Lien and Subordination Agreements apply only to nine claims. The owner of the four remaining claims is not specified. The number of claims to be included in the project area is not specified.

The locations of the proposed access road and five exploratory holes are not shown or described except in general terms: " ... from the Blue Sphinx shaft southward past the Windlass shaft." An OME contract could not be written in such imprecise terms.

Inasmuch as the target area (arsenic anomaly) extends northwest onto adjoining property, the name of the owner of that property may be pertinent.

R. M. Smith
for H. K. Stager

Enclosures

MME Form 40
(Revised Nov. 71)

Form approved
Budget Bureau No. 42-R1368

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

BLUE SPHINX, Inc.

P O B ox 16195
Portland, Oregon 97216

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6886

DATE RECEIVED: 4-23-73.

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
Homer D. Duggins	4313 Fremont Ave. N. Seattle, WA. 98103	President
Jack H. Mears	Rt. #1 Box 1775 Hood River, Ore. 97031	Vice-Pres.
W. Harrison Tyner	17601 S. E. Foster Rd. Portland, Ore. 97236	Sec.-Treas.

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

ESTIMATED COST OF PROJECT: $23,960.00

PROPERTY NAME	LOCATION COUNTY	STATE
Blue Sphinx Mines	Mineral	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. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

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

April 13, 1973
DATED

Homer D. Duggins
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.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U.S.A.

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

APPLICATION FOR OME FINANCIAL ASSISTANCE, BLUE SPHINX MINE, MINERAL COUNTY, NEVADA

1. Financial Eligibility:

   a. 1) 3 applications for credit -- (Attachments 1a1.1, 1a1.2, 1a1.3)
      2) 3 refusals from credit sources -- (Attachments 1a2.1, 1a2.2, 1a2.3)

   b. Names and addresses of affiliated, parent, control organizations: (Attachment 1b)

      Claim owners: Manuel R. Negrete, Box 315, Hawthorne, Nev. 89415
      Marie N. Connelly, 8207 Yarmouth, Reseda, Calif. 91335

   c. The applicant will furnish his share of exploration costs from Approx. $10,000 Blue Sphinx Inc. assets.

2. Applicant's land rights:

   a. Applicant (lessee) holds 10-year lease, renewable -- (Attachment 2a, copy of lease).
      1. Lease summary: a) no liens, mortgages, encumbrances on land.
         b) claims recorded at Hawthorne, Nev., Mineral Co. Recorder (Form 52: Att.2a1b)

   b. Legal description: see Attachment 2b

   c. Lien and Subordination Agreements, MME Form 52 -- Attachment 2a1b

3. Physical Description:

   a. Maps of workings: see Attachments 3f1, 3g.2, 3g.3; described in Attachment 3g.1, Part II, p.3

   b. Blue Sphinx Inc., as lessee, is financing current exploration by CEA Inc.

   c. Past production: none recorded, but minor stoping apparent in 3 levels from Blue Sphinx Shaft.

   d. Ore reserves indicated:

      Melbye's estimate: Attachment 3g, Part II, pp 3, 5: possible ore = 1.5 million tons
      grade range = 0.16 - 1.76 oz/T Au
      0.19 - 0.90 oz/T Ag

      Confirming these grades has been difficult. Fire assays of Cooke's various continuous chip samples taken in the Blue Sphinx Shaft and Windlass Shaft show a range from Tr Au to 2.15 oz Au (Attachment 3f).

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e. Geologic Description (Attachment 3g.1 (geologist's report), 3g.2 and 3g.3 (maps))

The Bovard Au-Ag District was active between 1908 and the early 1920's and is reported to have produced about $400,000 in Au-Ag-Cu (Lincoln, 1923) Owing to ore richness which facilitated "high-grading", this figure is probably conservative. Early recorded shipments averaged $143/T (Heikes, USGS Mine Prod. Rpt for 1910).

Blue Sphinx claims cover a 4500 foot segment of the Bovard ore-bearing structure at the southeast extremity of the several mile long district. They are located immediately southeast of the Gold Pen Mine (just over 2000 feet on strike) which produced half the recorded value of the Bovard District.

The Blue Sphinx ore-bearing environment is a N40-50W trending, steeply NE-dipping sheared, kaolinized, silicified rhyolite zone, 100 - 350' wide, which attends the FW-side of a prominent fault which appears to be traceable for over 40 miles.

Ore has made up locally in the form of Au-Ag-Mn-mineralized sheared quartz fillings coursing through the altered rhyolite. Mined-out portions of the vein are 3' - 8' wide in the Sphinx area. Ore minerals recorded are Au, Au-Ag alloy, argentite, and cerargerite.

f. Samples (Attachment 3f.1 : comparison of samples taken by Melbye and by Cooke.)

1. Melbye calls his samples "channel samples". Cooke calls his "continuous chip" samples. Cooke's sample weights were in the range 20 - 30 lbs for the main part.
2. The rationale for exploration is the following:

Only higher grade portions of the Sphinx main vein were mined. The various assays taken by Melbye and Cooke indicate a certain low grade Au-Ag content to exist in the quartz-ribboned and silicified wallrock around the main vein which suggests open pit mining possibilities. These possibilities are enhanced by the fact that Melbye's soil samples across the prospective ore area (Blue Sphinx Shaft locale) show the highest arsenic geochemical anomaly in the entire Bovard District -- up to 460 ppm over a background of under 10ppm.

Assay certificates: Attachment 3f.2

g. Geologic report = Attachment 3g.1
Geologic map = Attachment 3g.2
Goechem map = Attachment 3g.3

4. Accessibility: (Attachment 3g.1, Pt I, p.1; Pt II, p.1)

a. Contact: Dr. H. R. Cooke,
Cooke, Everett and Associates, Inc.
421 Court St.
Reno, Nevada 89501
(phone: 702 - 323 8254)

Property is located 15 miles south of Rawhide, Nev. OME representative will be driven to the property by Dr. Cooke.

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b. Shipping and Supply points: see Attachment 3g.1, Pt.II, p.1

5. Exploration Work

a. Core drilling

Objective: to test grade of indicated zone of possible open-pitting low-grade gold mineralization underlying arsenic anomaly enveloping vein in Blue Sphinx Shaft - Windlass Shaft area.

Recommendation: as in Melbye's report (Attachement 3g.1, Pt.II, p. 5).

Minimum of 5 inclined core holes put down at 200-ft interval from Blue Sphinx to Windlass Shaft, and beyond if grade holds up. Depth of holes, approximately 300 ft each. See map (Attachment 3g.2).

b. Access road - about one day bulldozer work; drill line road between and just below Blue Sphinx Shaft and Windlass Shaft and beyond - total distance 1500 ft.

c. Start work within two weeks of OME contract execution. Drilling to proceed perhaps 30 ft per shift, depending on character or rock met; estimated 50 drilling shifts.

6. Experience: see Attachment 6, Biodata

Work to be conducted under supervision of Dr. H.R. Cooke, geologist, President of Cooke, Everett & Assoc., Inc., Consulting Geologists, Reno, NV.

7. Estimate of costs: $23,960.

a. Independent contracts (Attachment 7a):			$15,260
1) Bulldozing - D7, Wm. C. Smith, Yerington, total:		$260	
a) Positioning bulldozer	$100		
b) Work on roads and pads at $20/hr, 8 hrs	$160		
2) Drilling - Kay Way Drilling Co., Inc., Yerington, total:		$15,000	
a) 1500 ft x $9/ft, NX =	$13,500		
b) Extras - bits, cement, core boxes, mud, lost equipment, etc., at $1/ft =	$1,500		
b. Personal services - Cooke, Everett & Assoc., Inc., Consulting Geologists, Reno, NV, total:			$6,900
1) Project field supervision - spot holes, supervise bulldozing of roads & drill pads, split and log core, sample core for assays - 35 days at $115/day =		$4,020	
2) Travel expenses, field supplies & expenses		$1,500	
3) Office work - plot and evaluate assays; maps, cross-sections, reports, accounts and monthly invoices - 12 days at $115/day		$1,380	

c. Operating materials, supplies - supplied by contractors.

d. Operating equipment - supplied by contractors.

e. Initial rehabilitation and repairs - none.

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f. New Buildings, fixtures, installations. None.

g. Miscellaneous: Analytical costs (supervised by CEA)

fire assay analyses, Au, Ag
4-assay ton charge
10-foot core splits
150 samples at $12each = $1800

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Attachment 1a2.1

UNITED STATES NATIONAL BANK OF OREGON

HOOD RIVER BRANCH
301-303 OAK STREET
P. O. Box 60, HOOD RIVER, OREGON 97031
HEAD OFFICE — PORTLAND

January 19, 1973

Blue Sphinx, Inc.
P O Box 16195
Portland, Oregon 97216

ATTN: Jack Mears

Dear Mr. Mears:

Your loan application for an exploratory loan in the amount of $25,000.00 was considered by our loan committee today. We regret that we will be unable to extend you this credit as requested.

Sincerely,

D. A. Hanners
Assistant Manager

DAH/bh

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att. 1a 2.1

Blue Sphinx, inc.

P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

January 12, 1973

U.S. National Bank
Hood River, Oregon

Mr. Hanners:

Blue Sphinx, Inc. would like to know if U.S. National Bank would be interested in making a loan for exploration in a gold and silver mining venture for Blue Sphinx, Inc. We would need around $25,000.00 for the exploration.

Jack Mears

Jack Mears
V.P. Blue Sphinx, Inc.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att. 1a2.2

the oregon bank
COMMERCIAL · SAVINGS · TRUST

MIDLAND BRANCH · 620 S. E. 122nd Avenue · Post Office Box 16146
Portland, Oregon 97216 · 255-9430

January 19, 1973

Blue Sphinx, Inc.
P. O. Box 16195
Portland, OR 97216

Gentlemen:

Your application for an explortory loan for the mining of gold in the amount of $25,000 has been declined.

Sincerely,

Roy D. Lewis
Assistant Manager

RDL/jj

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Ah, 1a 2.2

the oregon bank
COMMERCIAL · SAVINGS · TRUST

MIDLAND BRANCH · 620 S. E. 122nd Avenue · Post Office Box 16146
Portland, Oregon 97216 · 255-9430

March 16, 1973

To Whom it May Concern:

In January, 1973 our office received a verbal request from Blue Sphinx, Inc. for $25,000, to be used for exploratory purposes in the mining of gold.

Based on the conversation with the company, we felt that we would be unable to meet their needs with a loan and declined the request without formal application.

There was not any tangible application taken, as it was not deemed necessary by this officer in declining the loan.

Sincerely,

Roy D. Lewis
Assistant Manager

RDL/jj

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att. 1a2.3

FIRST NATIONAL BANK OF OREGON

HOOD RIVER BRANCH, 304 OAK STREET, HOOD RIVER, OREGON 97031, TELEPHONE: 386-1611

February 19, 1973

Jack Mears
Route 1 Box 1775
Hood River, Oregon 97031

Dear Jack:

In regards to your loan request for $25,000 for investment in the gold stock mine, we are unable to get this together for you. We are unable to loan funds for a speculative venture.

We hope that you are able to obtain this financing for your venture. If we can assist you in any of your ranch operations, please do not hesitate to call on us.

Yours truly,

C. E. Smith
Assistant Cashier

CS/bg

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Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
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Att. 1a2.3

Blue Sphinx, inc.

P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

February 13, 1973

First National Bank
Hood River, Oregon

Att. Mr. Smith:

Blue Sphinx, Inc. would like to know if First National Bank would be interested in making a loan for exploration in a gold and silver mining venture for Blue Sphinx, Inc. We would need around $25,000.00 for the exploration.

Jack Mears
V.P. Blue Sphinx, Inc.

Jack Mears

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Ff. 1b

IN THE FIFTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA,

IN AND FOR THE COUNTY OF MINERAL.

FILED
1972 NOV 20 PM 5:13
M. G. FARLOW
By FRICKSON

IN THE MATTER OF THE ESTATE OF

MANUEL R. NEGRETE, No. 1014

DECEASED.

/

ORDER SETTING ASIDE ESTATE TO SURVIVING SISTER WITHOUT ADMINISTRATION

It appearing to the satisfaction of the Court that a verified petition has been filed in the above-entitled matter and that notice of the hearing thereof has been posted for more than ten days at the front door of the Mineral County Courthouse in Hawthorne, Nevada, and that the net value of the interest of decedent in the hereinafter described real property does not exceed the sum of $3,000.00 over and above all liens or encumbrances of record at the date of the death of said decedent, and that all debts of said decedent have been fully paid; with the exception of the amount of $642.46 due the Hawthorne Funeral Home for burial expense;

NOW THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that the amount of $642.46 shall be paid to the Hawthorne Funeral Home by the Clerk of this Court from Decedent's funds held by said Clerk.

IT IS FURTHER ORDERED that the remaining funds of Decedent, held by said Clerk, in the amount of $20.54, be set aside to Marie N. Connelly, Sister of Decedent.

IT IS FURTHER ORDERED that the recorded mining claims listed herewith be set aside to Marie N. Connelly, Sister of the Deceased, as her sole and separate property:

CHARLES WATERMAN
DISTRICT ATTORNEY
MINERAL COUNTY
HAWTHORNE, NEVADA

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Geologists, Engineers, Chemists
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RENO, NEVADA, U. S. A.

Name of Claim	Recorded mining locations Book	Page
NESTA	12	510
NESTA NO. 1	12	511
NESTA NO. 2	12	511
BLUE SPHINX	12	81
BLUE SPHINX NO. 1	12	82
SPHINX NO. 2	12	203
SPHINX NO. 3	12	204
SPHINX NO. 4	12	204
SPHINX NO. 5	12	205

DONE IN OPEN COURT this 8th day of November, 1972.

KENNETH L. MANN
DISTRICT JUDGE

CHARLES WATERMAN
DISTRICT ATTORNEY
MINERAL COUNTY
HAWTHORNE, NEVADA

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Attachment 2a/633

LEASE AND OPTION

THIS LEASE AND OPTION is made by and between MANUEL R. NEGRETE, 560 "C" Street, P. O. Box 315, Hawthorne, Nevada 89415, and MARIE N. CONNELLY, 8207 Yarmouth, Reseda, California 91335, hereinafter referred to as the Lessors, and HOMER D. DUGGINS, 1114 Cornell Ave., Yakima, Wash. 98902, hereinafter referred to as the Lessee;

WITNESS THAT:

WHEREAS, Lessors are the owners of certain mining claims in Mineral County, State of Nevada, which are identified on Exhibit "A" attached hereto and made a part hereof;

WHEREAS, Lessee desires to take a lease and option on said mining claims, and Lessors are willing to give such a lease and option;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants hereinafter set forth, the parties agree as follows:

I

Lessors hereby lease said mining claims to Lessee for a period of ten (10) years from the date of execution of this agreement on the terms and conditions hereinafter set forth. Lessee shall have the option to renew this lease for like periods of time on the same terms and conditions.

II

Lessors warrant that they are the owners of all of the property listed on Exhibit "A", and that such claims are free and clear of all liens and encumbrances. Lessors warrant that each mining claim listed on Exhibit "A" is a valid, perfected mining claim under the laws of the United States and of the State of Nevada, and that all assessment work required by such laws to have been performed on or for the benefit of each of said mining claims with respect to the annual assessment year ending September 1, 1971, has been performed; and proper proofs thereof have been recorded. Lessors further assert that there is no pending litigation against, or to their knowledge, any threatened litigation against, or accrued or contingent liabilities of Lessors or of said property which might adversely affect

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Lessors' title to or right of possession of said property.

III

Lessors agree to defend their right of possession of and title to said mining claims against all third parties, and Lessors agree to hold Lessee free of and harmless from any and all expense, damage and liability resulting from the acts, claims, demands and litigation of third parties contesting Lessors' title or right of possession to said property.

IV

If Lessees' examination of the title to said mining claims reveals liens, encumbrances or other title defects which will in any way prevent, interfere with or jeopardize Lessees' peacefully proceeding under this agreement, or subject Lessee to risk of loss in the conduct of his operation on said mining claims, on request from Lessee, Lessors, at their sole expense, will cause the same to be cured and removed. If Lessors fail to satisfy Lessee within thirty (30) days after such request that Lessors are proceeding adequately and with reasonable diligence to cure and remove such title defects, or fail to complete such curing and removal within ninety (90) days after such request, then Lessee may undertake to cure and remove such title defects, reimbursing themselves from royalties due Lessors for any expense advanced on behalf of Lessors.

V

Lessee shall pay Lessors a royalty as follows:

a) $ 800.00 shall be paid upon execution of this Lease and Option, the receipt of which is hereby acknowledged;

b) Five per cent (5%) of the net mill or smelter returns on all ore shipped or sold from the premises;

c) $ 100.00 per month shall be paid on the first of every month, beginning with November 1, 1971, unless the production royalties for the previous year equal $1,000.00 or more. All production royalties during the year shall apply against the $1,000.00 payment, and Lessee shall only be liable for the difference on February 1, of each year;

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d) In the event production royalties exceed $1,000.00 for any year, Lessee shall have the privilege of applying such excess to years, not to exceed five (5) years, in which the production royalties are less than $1,000.00 per year;

e) In the event ore is shipped to a smelter or mill at least five (5) miles from these properties, the transportation costs of the ore shall be deducted before royalties are computed;

f) All settlements shall be based on the settlement sheets upon which shipment is made;

g) All settlements shall be based on the settlements sheets upon which Lessee receives payment;

h) A ten (10) day grace period shall be granted in the making of any payment called for herein.

VI

Each royalty payment shall be sent by mail to ($50.00) to each, Marie N. Connelly, 8207 Yarmouth, Reseda, Calif 91335, and Manuel R. Negrete, Box 315, Hawthorne, Nevada 89415, unless other instructions, in writing, are given by Lessors.

VII

Lessee shall work said property in a miner-like fashion.

VIII

Lessors and their agents may enter upon all parts of said properties at all reasonable times for purposes of inspection.

IX

Lessors and their agents shall have access to all ore sales records during the term of this agreement.

X

No payments made under this agreement shall be returned to Lessees in case of default of this agreement.

XI

In the event that Lessees terminate this agreement for any reason, Lessee agrees to furnish Lessors copies of all information obtained upon said properties, including assay reports, metallurgical reports, drill logs, maps, engineering reports and other mining information.

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XII

Lessee shall pay any and all taxes on the properties and improvements thereon, including personal property taxes, and also shall pay social security taxes, unemployment compensation insurance premiums and other assessments or taxes as required by the State of Nevada or the United States Government. Each party hereto shall pay bullion or net proceeds of mines taxes, as required by law.

XIII

All mining equipment and machinery brought upon said property and all buildings or other improvements placed upon said property by the Lessee or his agents shall be considered the personal property of the Lessee and may be removed from said mining property by the Lessee at any time during the term of this agreement or within ninety (90) days after the termination of this agreement, whether by default or otherwise.

XIV

Lessee shall comply with all provisions of the Nevada Industrial Insurance Act and all applicable Federal, State and County laws and ordinances.

XV

Lessee shall be solely responsible for all labor, materials and supplies purchased by said Lessees to be used in the operation of said mining property; and Lessee shall give notice of such responsibility to all persons with whom said Lessee may incur any obligations. Lessee shall post and maintain in conspicuous places on said mining claims notice relieveing Lessors of all liability described in this paragraph, and Lessee shall comply with all recording statutes pertaining to non-liability of Lessors.

XVI

This agreement may not be modified except by written amendment executed by the parties hereto.

XVII

This agreement may be assigned by either party without the con-

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sent of the other; Lessee may also sublease all or portions of the mining property covered by this lease, provided there is compliance with all the terms herein.

XVIII

Lessee agrees to do all necessary annual assessment work on the subject claims during the term of this agreement. Lessee shall file necessary proof of this annual assessment work with the proper recording official at least thirty (30) days before the end of the annual assessment year.

XIX

In the event that Leesee elects to forfeit this agreement, Lessee shall send written notice to Lessors at 560 "C" Street, P. O. Box 315, Hawthorne, Nevada, at least thirty (30) days before the agreement is to be terminated.

XX

In the event of the default of the terms of this agreement, Lessee shall be given sixty (60) days in which to correct said default after notification thereof by registered letter sent to Lessee at 1114 Cornell Avenue, Yakima, Wash., 98902.

XXI

Lessee shall have the right to purchase the said mining claims at any time during the term of this agreement for the sum of FIFTY THOUSAND AND NO/100-----DOLLARS ($50,000.00). It is to be understood that all royalty payments made under this agreement shall be applied to the reduction of the said purchase price. Lessors and Lessees agree to execute appropriate deeds to be placed in escrow with suitable instructions as to the disposition of the deeds.

XXII

If any dispute shall arise between the parties with respect to the meaning of this agreement, or their respective rights or liabilities, or with regard to any matter not provided for herein, such dispute shall within sixty (60) days after it arises be referred to

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any person agreed upon by the parties for arbitration, or if they can not agree upon one arbitrator, then Lessee and Lessors shall each select one person as an arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who must be a qualified, disinterested, mining engineer, a member of the American Institute of Mining, Metallurgical and Petroleum Engineers; provided that if the two arbitrators can not or fail to agree, within the time provided, upon such third arbitrator, either party may petition any Nevada court of competent jurisdiction to appoint such a third arbitrator. The so appointed individual arbitrator or arbitrators, as the case may be, shall, in Nevada, arbitrate, decide and determine the dispute, and the decision of the individual arbitrator, or of two out of the three arbitrators, as the case may be, shall be final and binding upon the parties; provided that if either party shall refuse to appoint, or to join in the appointment of an arbitrator or arbitrators within ten (10) days after notice that the other party has appointed an aribtrator, then the arbitrator appointed by such other party shall determine and decide the dispute, and his decision shall likewise be final and binding upon the parties. Judgment upon the decision of the arbitrator, or arbitrators, as the case may be, may be entered in any court in the State of Nevada, or elsewhere, having jurisdiction of the party against whom the decision was rendered.

XXIII

If Lessee is prevented from operating this property because of a national emergency, all performance requirements and royalty requirements are waived until such emergency is terminated. It is understood that the requirement for annual assessment work shall not be waived, however, unless the requirement for annual assessment work is waived by the Government or the State of Nevada during such emergency.

XXIV

In the event Lessee locates any claims contiguous to these claims, Lessee agrees to locate such claims in the names of Lessors.

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In the event that such located claims are also contiguous to other claims under lease to Lessee, Lessee agrees to locate such claims so that both Lessors involved shall divide ownership of the claims involved. All such claims shall be subject to the terms and conditions of this lease. It is being understood that if the claims located are jointly owned, the priduction royalties shall be divided equally between the owners.

XXV

Lessors consent to and agree to assist and cooperate in any application or effort by Lessee to obtain moneys from or financial participation through any government agency in connection with the development and exploration or conducting of mining operations on said property and agree to execute the necessary documents required by the government. It is understood that Lessee will, so long as the lease and option is in effect, repay the loan as required from production royalties.

XXVI

This agreement shall bind not only the parties hereto but also their respective heirs, assigns and personal representatives.

IN WITNESS WHEREOF, this Lease and Option has been executed by the parties hereto on this 30th day of August, 1971.

Manuel R. Negrete

Marie N. Connelly

Homer D. Diggins

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, C[illegible]
COOKE BUILDING, 421 [illegible]
RENO, NEVADA, U.S.A.

LIST OF CLAIMS

Located in Mineral County
Recorded in Mining Locations

Name of Claim	Book	Page
NESTA	12	510
NESTA NO. 1	12	511
NESTA NO. 2	12	511
BLUE SPHINX	12	81
BLUE SPHINX NO. 1	12	82
SPHINX NO. 2	12	203
SPHINX NO. 3	12	204
SPHINX NO. 4	12	204
SPHINX NO. 5	12	205

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Geologists, Engineers, C[illegible]
COOKE BUILDING, 42[illegible] COOK[illegible] STREET
RENO, NEVADA, U. S. A.

A.H 2a

STATE OF NEVADA)
)ss
COUNTY OF MINERAL)

On this 30th day of August, 1971, before me, the undersigned Notary Public in and for the County and State above designated, personally appeared MANUEL R. NEGRETE and HOMER D. DUGGINS, known to me to be the persons described in and who executed the foregoing document, and they acknowledged 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 the day and year in this certificate bove written.

FREDA BARTON
Notary Public — State of Nevada
Mineral County
My Commission Expires June 24, 1973

Freda Barton
Notary Public

STATE OF ~~CALIFORNIA~~ Nevada)
)ss
COUNTY OF Mineral

On this 30 day of August, 1971, before me, the undersigned Notary Public in and for the County and State above designated, personally appeared MARIE N. CONNELLY, known to me to be the person described in and who executed the foregoing document, and she acknowledged that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

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

FREDA BARTON
Notary Public — State of Nevada
Mineral County
My Commission Expires June 24, 1973

Freda Barton
Notary Public

11484

BOOK 28 PAGE 641

OFFICIAL RECORDS
MINERAL CO. NEV.
RECORDED BY

Homer Duggins
'71 AUG 30 PM 3:44

GARY L. BARTON
COUNTY RECORDER
FEE 11.00
DEP.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Consultants
COOKE BUILDING, 401 COURT STREET
RENO, NEVADA, U.S.A.

LEGAL DESCRIPTION: Blue Sphinx block of 13 claims (9 original, amended Mar., 1973, and 4 contiguous, located Mar., 1973) location certificates not yet recorded)

From U.S. Government monument 220, a cairn at center of Sec 33, T11N, R 32 E
--thence 1624' S20W to the NE Cor Sphinx No. 2.

From the NE Cor Sphinx No.2, the block of 13 contiguous claims, each rectangular and measuring 600' by 1500', elongated NW-SE, can be circumscribed in the following manner:

NE Cor Sphinx No. 2 1200' N45E to NE Cor Sphinx No. 7,

thence 3000' S45E to the SE Cor Sphinx No. 6,

thence 600' N 45 E to the NE Cor Nesta No. 4,

thence 1500' S 45 E to the SE Cor Nesta No. 4,

thence 3000' S 45 W to the SW Cor Nesta,

thence 4500' N 45 W to the NW Cor Blue Sphinx No. 1,

thence 1200' N 45 E to the NE Cor Sphinx No. 2, the point of origin.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

BLUE SPHINX MINE

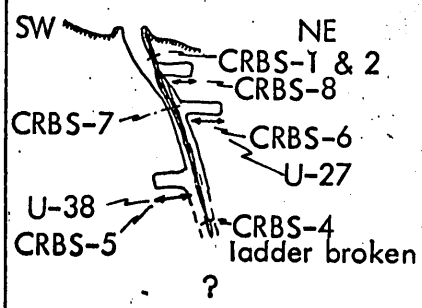
SAMPLES

method	lab	sample no.	length ft.	Au oz	Ag oz	weight lbs
FA	N	CRBS-5	20	Tr	.867	10
		U-38	20	.17	.19	
FA	N	CRBS-4	6	Tr	.657	2
FA	N	CRBS-6	20	Tr	1.222	20
		U-27	20	.26	.48	
FA	N	CRBS-7	6	Tr	.223	2
FA	N	CRBS-8	30	.021	1.567	30
FA	N	CRBS-9	30	Tr	1.273	30
		U-32	30	1.76	.90	
FA	N	CRBS-11	8	Tr	.983	2
FA	N	CRBS-12	15	.234	1.166	3
FA	N	CRBS-1	1	.478	.499	1
S	A	"	1	2.10	1.87	1
CN	A	"	1	2.15	2.00	1
FA	N	CRBS-2	1	.634	.811	1
S	A	"	1	.07	.64	1
CN	A	"	1	.098	.73	1
		CRBS-15				
		BS-6	6			5

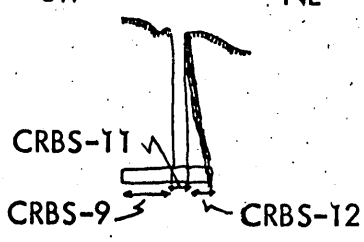
(U = Melbye sample; CRBS or BS = Cooke, Everett sample)
(N = Nevada Assay Office; A = Nevada Analytical Service)
(FA = fire assay; S = spectrographic analysis; CN = cyanide extraction)

A

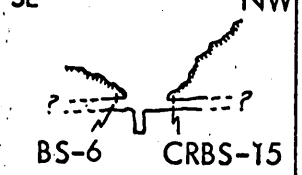
BLUE SPHINX SHAFT



WINDLESS SHAFT



HEIKES SHAFT
(Long. section)



SCALE: 1" = 200'

BLUE SPHINX INC.
Principal Mine Workings
March, 1973
Brunton & pace, or sketch
COOKE, EVERETT & ASSOC.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att 3F-2

ROCKY MOUNTAIN GEOCHEMICAL LABORATORIES

Post Office Box 2217
SALT LAKE CITY, UTAH 84110

Phone 322-2396
Area Code. 801

CERTIFICATE OF ANALYSES

Date: December 13, 1966

Client: Mr. Charles E. Melbye
P.O. Box 309
Golden, Colorado 80402

Report on: 130 Samples

Submitted by: Mr. H. W. Ranspot

Date Received: November 15, 1966

Analysis: Arsenic

Remarks: Analyses determined colorimetrically.

cc: Enc.
file

JJJ:ab

All values are reported in parts per million unless specified otherwise. A minus sign (−) is to be read "less than" and a plus sign (+) "greater than." Values in parenthesis are estimates. This analytical report is the confidential property of the above mentioned client and for the protection of this client and ourselves we reserve the right to forbid publication or reproduction of this report or any part thereof without written permission.

1 ppm = 0.0001% 1 Troy oz./ton = 34.27 ppm % Mo x 1.6683 = % MoS_2

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Geologists, Engineers, Chemists
COOKE BUILDING, 401 COURT STREET
RENO, NEVADA, U. S. A.

Sample No.	Arsenic	Sample No.	Arsenic
18+3E	195	20+5W	30
" 4E	130	" 6W	35
" 5E	75	" 7W	20
" 6E	40	" 8W	25
" 1W	60	" 9W	30
" 2W	50	" 10W	265
" 3W	30	" 11W	45
" 4W	35	20+12W	40
" 5W	35	22	50
" 6W	30	22+1E	50
" 7W	35	" 2E	40
" 8W	25	" 3E	35
" 9W	25	" 4E	40
18+10W	35	" 5E	35
20	75	" 6E	40
20+1E	130	" 1W	35
" 2E	240	" 2W	35
" 3E	155	" 3W	30
" 4E	85	" 4W	25
" 5E	60	" 5W	20
" 6E	70	" 6W	15
" 1W	55	" 7W	10
" 2W	40	" 8W	15
" 3W	30	" 9W	10
20+4W	20	22+10W	20

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Geologists, Engineers, Chemists
COOKE BUILDING, 431 [illegible] STREET
RENO, NEVADA, U.S.A.

Sample No.	Arsenic	Sample No.	Arsenic
22+11W	15	26+4W	20
22+12W	15	" 5W	20
24	10	26+6W	15
24+1E	10	28	50
" 2E	20	28+1E	50
" 3E	20	" 2E	85
" 4E	5	" 3E	45
" 5E	10	" 4E	20
" 6E	20	" 5E	20
" 1W	10	" 6E	15
" 2W	10	" 1W	50
" 3W	5	" 2W	40
" 4W	10	" 3W	45
" 5W	20	" 4W	30
24+6W	10	" 5W	30
26	20	28+6W	30
26+1E	30	30	60
" 2E	30	30+1E	75
" 3E	25	" 2E	70
" 4E	35	" 3E	45
" 5E	20	" 4E	60
" 6E	35	" 5E	40
" 1W	25	" 6E	35
" 2W	30	" 1W	60
26+3W	25	30+2W	60

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COOKE BUILDING, 401 COOKE STREET
RENO, NEVADA, U. S. A.

Sample No.	Arsenic	Sample No.	Arsenic
30+3W	50	32+5W	20
" 4W	35	32+6W	15
" 5W	30	34	10
30+6W	15	34+1E	10
32	85	" 2E	15
32+1E	85	" 3E	10
" 2E	60	" 4E	10
" 3E	45	" 5E	5
" 4E	15	" 6E	10
" 5E	20	" 1W	10
" 6E	20	" 2W	10
" 1W	70	" 3W	10
" 2W	55	" 4W	45
" 3W	35	" 5W	15
" 4W	25	34+6W	50

Rocky Mountain Geochemical Laboratories
Salt Lake City, Utah December 13, 1966

By_____

James J. Johnson

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 401 COURT STREET
RENO, NEVADA, U. S. A.

3f/2/p. 5

ROCKY MOUNTAIN GEOCHEMICAL LABORATORIES

Post Office Box 2217
SALT LAKE CITY, UTAH 84110

Phone 322-2396
Area Code 801

CERTIFICATE OF ANALYSES

Date: December 10, 1966

Client: Mr. Charles E. Mölbye
P.O. Box 309
Golden, Colorado 80402

Report on: 130 samples

Submitted by: Mr. H. W. Ranspot

Date Received: November 15, 1966

Analysis: Arsenic

Remarks: Analyses determined colorimetrically.

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file

JJJ:kr

All values are reported in parts per million unless specified otherwise. A minus sign (−) is to be read "less than" and a plus sign (+) "greater than." Values in parenthesis are estimates. This analytical report is the confidential property of the above mentioned client and for the protection of this client and ourselves we reserve the right to forbid publication or reproduction of this report or any part thereof without written permission.

1 ppm = 0.0001% 1 Troy oz./ton = 34.27 ppm % Mo x 1.6683 = % MoS_2

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 491 COURT STREET
RENO, NEVADA, U. S. A.

Sample No.	Arsenic
0	115
0+1E	95
" 2E	70
" 3E	50
" 4E	45
" 5E	65
0+6E	50
0-1W	35
0-2W	30
0+3W	35
" 4W	45
" 5W	50
0+6W	65
1-S	60
1S-1E	45
" 2E	70
" 3E	95
" 4E	40
" 5E	35
" 6E	40
" 1W	200
" 2W	145
" 3W	75
" 4W	50
1S-5W	50

Sample No.	Arsenic
1S-6W	50
2	150
2+1E	185
" 2E	155
" 3E	105
" 4E	65
" 5E	45
" 6E	50
" 1W	55
" 2W	100
" 3W	180
" 4W	240
" 5W	145
2+6W	65
4	135
4+1E	215
" 2E	115
" 3E	70
" 4E	120
" 5E	70
" 6E	90
" 1W	105
" 2W	115
" 3W	75
4+4W	70

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RENO, NEVADA, U.S.A.

Sample No.	Arsenic
4+5W	40
4+6W	95
6	265
6+1E	175
" 2E	130
" 3E	130
" 4E	80
" 5E	75
" 6E	75
" 1W	160
" 2W	90
" 3W	90
" 4W	125
" 5W	95
6+6W	65
8	180
8+1E	180
8+2E	230
" 3E	295
" 4E	150
" 5E	70
8+6E	75
" 1W	150
" 2W	120
8+3W	140

Sample No.	Arsenic
8+4W	100
8+5W	100
8+6W	75
10	180
10+1E	215
" 2E	360
" 3E	85
" 4E	75
" 5E	55
" 6E	85
" 1W	215
" 2W	155
" 3W	90
" 4W	105
" 5W	60
10+6W	55
12	440
12+1E	235
" 2E	75
" 3E	150
" 4E	150
" 5E	95
" 6E	150
" 1W	410
12+2W	155

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RENO, NEVADA, U. S. A.

Sample No.	Arsenic	Sample No.	Arsenic
12+3W	460	16+1E	385
14	230	" 2E	710
14+1E	200	" 3E	250
" 2E	230	" 4E	95
" 3E	75	" 5E	90
" 4E	120	" 6E	85
" 5E	160	" 1W	105
" 6E	95	" 2W	60
" 1W	285	" 3W	45
" 2W	65	" 4W	65
" 3W	60	" 5W	50
" 4W	35	16+6W	45
" 5W	25	18	85
14+6W	25	18+1E	100
16	120	18+2E	310

Rocky Mountain Geochemical Laboratories
Salt Lake City, Utah December 10, 1966

By _____

James J. Johnson

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U.S.A.

Att. 3f.2 p.9

CHEMISTS • ASSAYERS • ENGINEERS

DENVER, COLORADO 80205

Date

Don R. Link,
Petroleum Club Bldg.,
Denver, Colorado.

We hereby Certify, that the samples assayed for you gave the

DESCRIPTION	GOLD OUNCES PER TON	SILVER OUNCES PER TON	COPPER PER CENT (WET)	LEAD PER CENT (WET)	ZINC PER CENT	IRON PER CENT	INSOLUBLE PER CENT
U-24	TRACE	TRACE					
U-25	TRACE	0.06					
U-26	TRACE	0.06					
U-27	0.26	0.48					
U-28	0.17	0.19					
U-29	0.01	0.19					
U-30	0.01	0.15					
U-31	TRACE	0.10					
U-32	1.76	0.90					
N.R. U-33	0.01	0.75					
N.R. U-34	TRACE	0.26					
N.R. U-35	TRACE	0.70					
N.R. U-36	TRACE	1.36					
N.R. U-37	TRACE	0.26					
N.R. U-38	TRACE	0.20					
N.R. U-39	TRACE	0.40					
U-40	TRACE	0.20					
U-41	TRACE	0.10					
U-42	TRACE	0.24					
U-43	TRACE	0.36					
U-44	0.02	0.28					
U-45	0.01	0.29					

Gold at _____ per ounce Copper at _____ per unit

Silver at _____ per ounce Zinc at _____ per unit Charge $ 55.00

Lead at _____

CHARLES O. PARKER CO.
CHEMISTS, ASSAYERS and ENGINEERS

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att 3f. 2

p 10

Budd F. Rude
P. O. Box 56
Carson City, Nevada 89701

13 December 1972

H. R. Cooke, Jr.
P.O. Box 2992
Reno, Nevada 89505

7212-6065

MATERIAL: One sample of ore, sampled and identified by Client as "CRJD-140". ~~[illegible]~~ CRBS 1

SPECTROGRAPHIC ANALYSIS

ELEMENT	PERCENT
Silicon	26.40
Iron	6.00
Aluminum	5.80
Magnesium	2.60
Calcium	0.44
Manganese	0.36
Potassium	0.24
Barium	0.12
Lead	0.12
Zinc	0.060
Chromium	0.042
Titanium	0.032
Copper	0.020
Nickel	0.016
Boron	0.0090
Vanadium	0.0080
Gold	0.0072 2.10 oz/S.T.
Silver	0.0064 1.87 "
Cobalt	0.0060
Molybdenum	0.0012
Zirconium	0.00060
Beryllium	0.00040
Platinum	0.00024

****

BY MODIFIED H_2O_2 method CYANIDE: Regound to -200 mesh

Gold.....2.15 oz/ton

Silver.....2.00 oz/ton

Budd F. Rude

COOKE, EVERITT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 401 COURT STREET
RENO, NEVADA, U. S. A.

AH 3f.2
p 12

Budd F. Rude
P. O. Box 56
Carson City, Nevada 89701

13 December 1972

H. R. Cooke, Jr.
P.O. Box 2992
Reno, Nevada 89505

7212-6064

MATERIAL: One sample of ore, sampled and identified by Client as "CRJY-13". CRBS 2

SPECTROGRAPHIC ANALYSIS

ELEMENT	PERCENT
Silicon	29.20
Aluminum	4.60
Iron	4.48
Sodium	0.16
Calcium	0.12
Magnesium	0.10
Manganese	0.038
Barium	0.030
Titanium	0.028
Lead	0.024
Chromium	0.014
Copper	0.0099
Silver	0.0022 .64 oz/T
Molybdenum	0.0020
Gold	0.00024 .07 oz/T

****

BY MODIFIED CYANIDE:

Gold.....0.098 oz/ton

Silver.....0.73 oz/ton

Budd F. Rude

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att 3f.2 p14

December 12, 1972 Hand Sample Serial 112412

Mine H. R. Cooke Jr.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
CRBS 4	Tr	.657									
5	Tr	.867									
6	Tr	1.222									
7	Tr	.223									
8	.021	1.567									
9	Tr	1.273									
11	Tr	.983									
12	.234	1.166									

Remarks

Charges $ 28.00

William R. Copley

COOKE, EVERETT & ASSOCIATES, LTD.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

AH 3f. 2
P. 15

PRELIMINARY EVALUATION

BOVARD DISTRICT

Mineral County, Nevada

Prepared for:
Griffith Annesley
Don R. Link
840 Petroleum Club Building
Denver, Colorado

CHARLES E. MELBYE AND ASSOCIATES

MINING · GEOLOGICAL · GEOPHYSICAL · ENGINEERS
2020 FOOTHILLS ROAD
BOX 309 279-1542
GOLDEN, COLORADO

February 9, 1966

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

PRELIMINARY EVALUATION

BOVARD DISTRICT

Mineral County, Nevada

INTRODUCTION

This report is a preliminary evaluation of the Blue Sphinx, Gold Pen, Lone Star, and Nevada Rand properties in the Bovard or Rand district. Although the initial interest was in the Blue Sphinx mine, it became obvious that the other properties should also be considered in attempting to locate one or more economic large tonnage open-pit gold-silver deposits.

LOCATION AND ACCESSIBILITY

Location is in Sections 29, 32, 33, and 34, T11N, R32E near the crest of the low Gabbs Valley Range at elevations of 5500 - 6000 feet. Hawthorne, Nevada, the closest town, lies south west on U.S. Highway 95. Accessibility to the district is over 30-33 miles of mostly good gravel road and the last 2-3 miles over unimproved dirt mine roads. The important old silver camp of Rawhide lies 15 miles north.

HISTORY

The district was discovered in 1908 and since has produced about $360,000 in gold, silver, and copper, mostly from 1914-1920. Activity since that time has consisted only of small leaser operations, and no intelligent extensive exploration programs have ever taken place in the district. Each of the four properties is developed by 250 to 550-foot shafts.

GEOLOGY

Rock Types

All of the exposed rocks appear to be post-Esmeralda or Late Tertiary volcanics, consisting of the earlier acidic group- rhyolite and quartz latite welded tuff, and the later

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Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

intermediate group-rhyolacite and andesite flows, tuffs, and breccias. Considerable marked variations in these lithologies can be seen, which will require detailed mapping to work out the proper geology. Color generally distinguishes the two, as the acidic group is tan to light brown in color and the intermediate group usually shades of gray.

Structure

Without detailed mapping completed at this time, the only known structure of importance is the northwest Bovard fault zone which is expressed by a zone many hundreds of feet wide with faulting, brecciation, and accompanying alteration and bleaching of the rocks. This fault is part of a regional fault extending for 45 miles along the west side of the Gabbs Valley Range. Along or near this zone are located all the mines of the district. Strike varies from N40W - N70W. The mines are approximately located on the accompanying sketch map, and the location with respect to the Bovard fault zone is only generalized.

Mineralization

At the Blue Sphinx and Gold Pen mines the mineralization occurs mostly as free gold with quartz veins and rounded masses and with iron and manganese oxides throughout a 200-foot wide zone. The rounded nature of the quartz suggests being dragged along in the fault zone. Intense shearing is accompanied by intense alteration and bleaching. A higher-grade zone without well defined limits was mined 3-8 feet wide. Unusually rich pockets of gold-silver ore were shipped from the Nevada Rand mine.

The mineralized shear zone at the Blue Sphinx and Gold Pen mines is about 200 feet wide and at least 1500 feet long. A few prospects, adits, and shafts along the zone show the quartz veining and masses which are apparently necessary for any substantial ore-grade. Oxidation extends to the 250 level so that if residual gold enrichment is present, it should be present at least to that depth.

Four samples taken at the Blue Sphinx mine are certainly not conclusive but give some ideas of grade and gold-silver occurence.

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Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

Att 3g.1 Pt 1

No.	Description	Oz Au	Oz Ag	$ Value	Ppm As
T276	19' Altered HW-No quartz	.005	0.44	$ .75	450
T277	4' Altered FW-No quartz	Tr	0.12	.15	60
T278	6.5' Vein - 90 level	0.26	0.50	9.75	100
T279	20' Vein zone w/quartz at shaft	0.16	0.74	6.55	200

The samples indicate that wherever quartz is present the values increase to a grade which is quite interesting from an open-pit mining standpoint. Arsenic was run by fluo-X ray-spectrograph to see whether it might be a geochemical pathfinder to the best gold-silver mineralization, which is the case in many districts. Extensive soil cover in many areas makes surface sampling of little practicality. These arsenic values are quite high compared to the normal background of 2 ppm in igneous rocks, thereby indicating the favorable use of soil sampling as a prospecting tool.

CONCLUSIONS

1. The four mines of the Bovard district comprise an area two miles long which is associated with a major regional fault zone and which has gold-silver mineralization occuring throughout the two mile extent.
2. Although pockets of very rich gold-silver ore have been mined by leasers, there is lower-grade mineralization throughout the zone for widths of up to 200 feet. The grade of this mineralization is of course unknown, but the potential exists for finding one or more deposits totaling in the millions of tons. If the gold is all free, as is reported, the area is unusually attractive, since only $3 - 4 ore would be required for an economic large-tonnage operation. If the ore requires cyanide treatment, about $7 millheads would be required.
3. Shallow inexpensive rotary or down-the-hole percussion drilling can be employed in exploration. The very accessible location is conducive to carrying out exploration and mining on a relatively low-cost basis and without too much weather hindrance.

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Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U.S.A.

Att 3g.1 Pt. 1

RECOMMENDATIONS

1. Initial work should consist of geological mapping and geochemical soil sampling for arsenic on at least the Blue Sphinx and Gold Pen ground. A grid should be laid out for proper location of this work. Some additional mine sampling is also recommended.
2. Further study of the Lone Star and Nevada Rand mines should be done at the same time and possible detailed work completed there as well.
3. This work should determine whether the areas of disseminated gold-silver mineralization are sizeable enough to be considered from a large tonnage open-pit standpoint. If favorable, further work should then consist of bulldozer trenching and drilling. If the areas do not appear sufficiently large, no further work would be recommended.

Respectfully submitted,

Charles E. Melbye

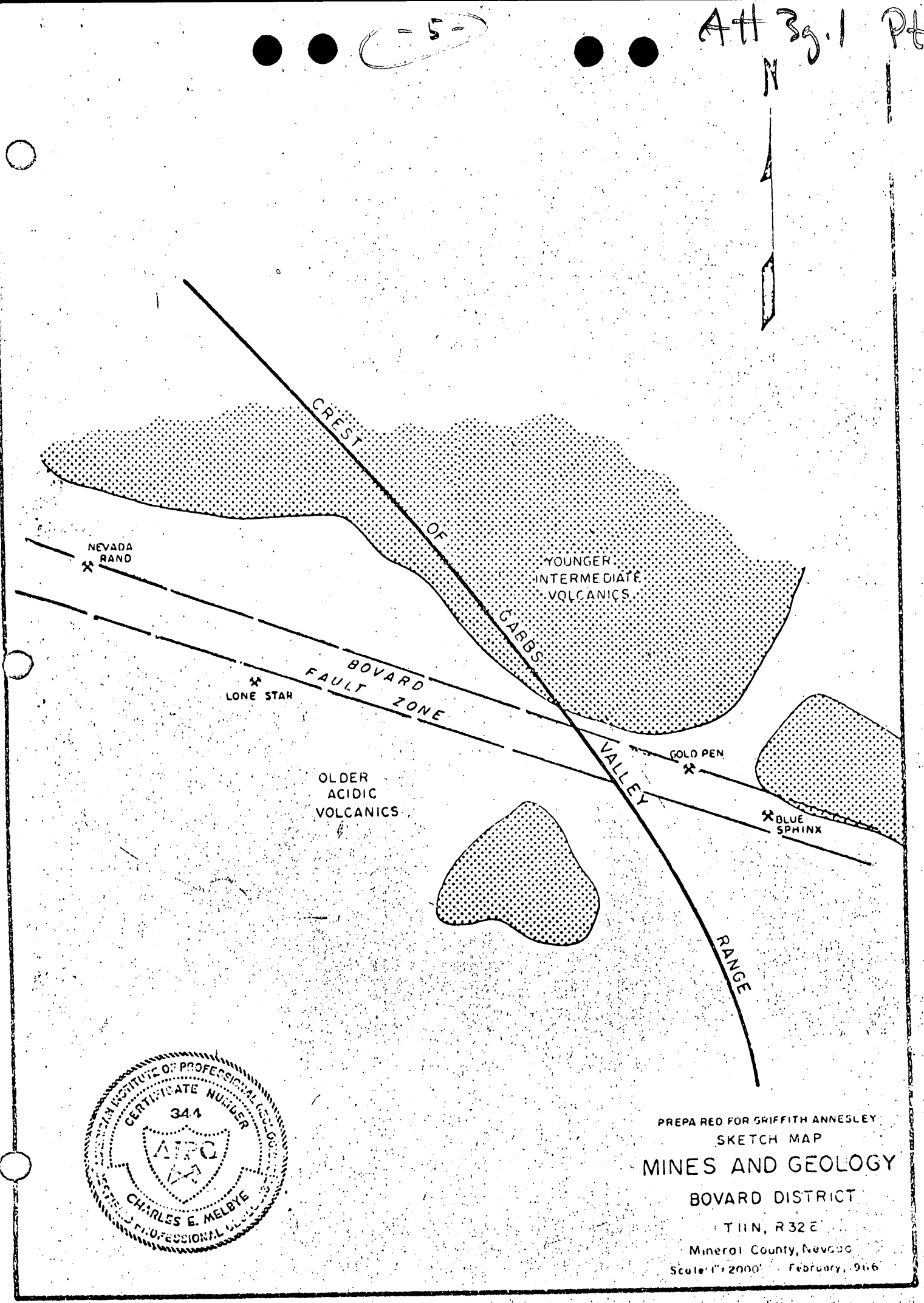
Charles E. Melbye
Cert. Prof. Geol. #344

February 9, 1966

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 4[illegible] [illegible] STREET
RENO, NEVADA, U. S. A.

(-5-)

Att 3g.1 Pt 1


N
CREST OF GABBS VALLEY RANGE
YOUNGER INTERMEDIATE VOLCANICS
NEVADA RAND
BOVARD FAULT ZONE
LONE STAR
GOLD PEN
BLUE SPHINX
OLDER ACIDIC VOLCANICS
AIPG
CERTIFICATE NUMBER
341
CHARLES E. MELBYE
PREPARED FOR GRIFFITH ANNESLEY
SKETCH MAP
MINES AND GEOLOGY
BOVARD DISTRICT
T11N, R32E
Mineral County, Nevada
Scale 1" = 2000'
February, 1966

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 SOUTH VIRGINIA STREET
RENO, NEVADA, U. S. A.

ECONOMIC GEOLOGY
BOVARD DISTRICT

Mineral County, Nevada

INTRODUCTION

An extensive geological-geochemical evaluation of the Bovard District has been completed during the period of March - June, 1966. This has included all of the important mines, the Blue Sphinx, Gold Pen, Pine and Nevada Rand properties. Initial geochemical surveys and reconnaissance mapping was followed by semi-detailed geological mapping, underground and surface sampling, and additional geochemical surveys. The initial interest in the district by Messrs. Don R. Link and Griffith Annesley was from the standpoint of possible large tonnage low-grade gold-silver deposits mineable by open-pit methods. Therefore, all investigations have been for the purpose of delineating a possible area or areas within the district which have distinct potential for this type of deposit, rather than for small narrow vein deposits. The evaluation has been carried out by Charles E. Melbye and H. W. Ranspot of Melbye and Associates.

LOCATION AND ACCESSIBILITY

The district is located 30 miles northeast of Hawthorne, Nevada in T. 11N., R. 32 E., and is readily accessible over good gravel or dirt roads. Only the last mile up the steep grades to the mines is difficult for a passenger car. This desert mountain area is part of the Gabbs Valley Range, which gets only light winter snows in the higher portions and very little in the valleys. The Southern Pacific Railroad services Hawthorne.

PROPERTY

All four mining properties comprising the major part of the district are leased by Messrs. Link and Annesley. These are listed as follows:

Property	Number of Claim
Blue Sphinx	9 unpatented claims
Gold Pen	18
Pine Did not proceed to lease	3
Nevada Rand lapsed but taxpaid due to	5
mineral altered zone	35

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Geologists, Engineers, Chemists
COOKE BUILDING, 481 COURT STREET,
RENO, NEVADA, U. S. A.

Att 3g. 1 Pt 11
p. 2

HISTORY

The district was discovered in 1908 by Al Bovard and other prospectors from the nearby Rawhide district. About $360,000.00 in gold, silver, and copper was produced, mostly from 1914 - 1920. The Gold Pen mine has been the main producer, as it had a mill. However, most of the mining has been of the small lessor type. No substantial company - type exploration has ever been attempted in the area considered.

used only a few months

GEOLOGY

All important features of the economic geology are shown on the 200 scale geologic map, which covers a 1200-foot wide strip from the Blue Sphinx mine to 3700 feet northwest of the Pine shaft. In addition, the Nevada Rand mine area, another mile northwest, was mapped.

Rock Types

Two widespread Pliocene volcanic units comprise the bulk of the rocks. These are the Post-Esmeralda intermediate rocks, consisting of andesite and the felsic rocks, consisting of rhyolite. The andesites are generally later in age, but since they are in fault contact through the district the age relationship is not clear-cut. Where unaltered, color readily distinguishes the two; as the rhyolite is tan and the andesite blue-gray. Alteration has, however, made the two units nearly the same color. In addition, a basic volcanic unit, from andesite to basalt in composition, is present as a few remnants at the north end of the mapped area.

Structure

The dominant feature of the southern portion of the district (exclusive of the Nevada Rand) is a northwest, steeply east-dipping fault. This fault places rhyolitic flows on the southwest in fault contact with the later andesitic flows on the northeast and is therefore a normal fault. It is most likely part of a major northwest regional fault zone traversing the Gabbs Valley Range for 50 miles. Other minor faulting and fracturing is present and would require detailed mapping, but it is generally most intense in the highly altered zones and has undoubtedly accounted for concentration of the mineralized quartz stringers or veinlets.

Mineralization and Alteration

On the southwest side of the fault in the area of the Blue Sphinx and Gold Pen mines, the rhyolite has been considerably altered to a white, bleached rock. With the exception of the Nevada Rand and some small production at the Pine property, the production has come from this white, bleached zone of rhyolite, namely the Blue Sphinx and Gold Pen mines. The original character of the rhyolite has been almost completely destroyed,

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with the exception of the quartz phenocrysts. In places, the bleached zone has been pervasively "flooded" with silica, and many small quartz stringers (1/2" - 2" wide) are found within this zone, particularly near the footwall side of it. Any chance for large scale production of gold and silver in the southern part of the district is restricted to this altered zone of rhyolite. The zone thins considerably 1000 feet south of the Blue Sphinx mine and pinches out entirely northward near the Pine property.

At the extreme northern end of the mapped area, and on the andesite side of the fault, an intensely altered zone is observed. This zone, 1200' N-S by 500' E-W is highly altered without much apparent mineralization. Silicification of the bleached area is almost lacking.

Blue Sphinx Area:

This area, at the southern end of the Bovard district, has had some production from a manganese-quartz fissure vein along the large northwest-trending fault. This fissure has been explored by small cuts and shafts for 1500' south of the Blue Sphinx shaft. The fissure averages two to six feet in width and is characterized by the quartz and manganese mineralization within it. Mineralization extends outward from the fissure in the form of a wide zone of quartz veinlets. The bleached mineralized rhyolitic zone achieves its maximum width of 350' in the Blue Sphinx area.

Only limited places are available to get long crosscut samples of the wallrock, but those taken give very encouraging results.

	Width	Oz. Au	Oz. Ag
Blue Sphinx shaft-surface	20'	.16	.74
90? ~~150~~' level "HW"	20'	.26	.48
150' level "FW"	20'	.17	.19
Windlass shaft	30'	1 .76	.90

Samples taken north of the gulch north of the Blue Sphinx shaft are low, indicating a decrease in mineralization between the Blue Sphinx and Gold Pen mines. The potential favorable area for an open-pit deposit is thus indicated to be at least 1000 feet long by 100' - 350' wide.

Gold Pen Area:

This mine has been the most productive in the southern part of the Bovard district. Unlike the Blue Sphinx, production has come from a north to northwest trending fissure vein near the center of the bleached rhyolite zone. The bleached zone in this area averages 200' wide, the fissure vein approximately 5' wide. Sampling of the structure in 1931 indicated the remaining vein would average about $5.50/ton ($35.00 Au) over a 5' width

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Att 3g.1 Pt 11 p. 4

although much higher - grade ore shoots were mined. Mineralization did spread outward from the walls of the fissure, but sampling indicates the mineralization was rather weak, averaging about $2.50/ton. Previous sampling in the Gold Pen would seem to discourage the development of an open-pit gold mine in this area. Of some possible further interest is a zone of intensely bleached and altered andesite on a ridge just southeast of the Gold Pen, as an examination of the rock indicates massive "flooding" of silica into the andesite.

Pine Property:

This is the least promising of any of the four mines examined. The only mineralization observed was a 2-foot west-trending fissure vein completely within the andesite. Alteration around the vein is lacking and there is little chance for sizeable production in the mine area itself. The ore controlling fault passes 500' west of the Pine shaft, and there is some mineralization within the fault in this area.

Nevada-Rand Mine:

latite (Lincoln)

The geology of the Rand mine is relatively simple. The host rock for the fissure vein is andesite, and no other rock types were noted in the area. The mineralization consists of a simple quartz fissure vein striking west through the andesite. Some 200 feet east of the Rand shaft, the fissure bends to a northwest strike. This northwest strike is apparently associated with the better mineralization inasmuch as most of the stoping along the vein has been in the northwest trending area.

Underground it appears as though the vein has split. There is a possibility that the ground between the splits may be mineralized enough to warrant open-pit development. However, seven underground samples of this zone were all low, thus not supporting any larger-tonnage possibilities for the Nevada Rand mine.

GEOCHEMICAL SURVEY INTERPRETATION

Soil sampling for arsenic (As) content and silver (Ag) content was first done, to see whether these elements might be pathfinders to the best low-grade mineralization which is primarily gold. Silver did not provide any help, but arsenic appeared to be very indicative, and much of the district was sampled for arsenic. High arsenic values were not expected as no arsenopyrite has ever been found with the ore. The trace amounts of arsenic, commonly associated with gold, however, are apparently sufficient to cause a soil anomaly of over 100 ppm As. Background is about 5-10 ppm compared to an average for all soils of 5 ppm. Most of the samples were analyzed with the Fluo-X spectrograph.

The largest anomaly is that encompassing the Blue Sphinx-Windlass shaft area. Values range up to 400 ppm, but the main part of the anomaly is 100-200 ppm. This correlates remarkably with the sampling, since it indicated that the only area with appreciable wallrock mineralization is the Blue Sphinx property.

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Small scattered anomalies were found in the Gold Pen area, and the Pine property was not anomalous at all. Another area of possible significance is the altered zone 1/2 mile northwest of the Pine shaft. Arsenic values ranged up to 98 ppm. One long traverse run eastward down the Gold Pen road did not show any appreciable anomalies, although there is a considerable amount of hydrothermal alteration.

CONCLUSIONS

1. A rather thorough preliminary evaluation of the entire Bovard district has delineated one major target where distinct possibilities exist for an open-pit gold-silver type of deposit and operation, the Blue Sphinx mine area. Arsenic geochemical values are high, channel sampling on surface and underground shows values over 30-40 foot widths of $8.14-$62.76/ton with appreciable mineralization over at least 100 feet, and the highly altered zone in rhyolite 1000 feet long by 100-350 feet wide provides an ample sized target for proving a large tonnage. ||

2. This Blue Sphinx area has a potential for at least 1.5 million tons to a depth of 150 feet. ||

3. Although the surface geology does not appear quite as favorable as the Blue Sphinx, there are still additional tonnage possibilities in the silicous altered area southeast of the Gold Pen mine and in the altered zone 1/2 mile northwest of the Pine shaft, where arsenic values are high.

4. The Bovard ores have always been known as a free-milling gold type. It appears, therefore, that the bulk of the values can be recovered by gravity processes with possibly a smaller cyanide mill circuit for some of the finer values. This could enable very low mill costs for an operation. The highly altered and brecciated rhyolite can be cheaply mined by open-pit methods.

RECOMMENDATIONS

1. At least five inclined core holes should be drilled at 200-foot spacings from the Blue Sphinx shaft southward past the Windlass shaft. If these are favorable, five additional holes between the previous ones should be drilled. The depth of each will be about 300 feet.

2. If the drilling of the anomalous area on the Blue Sphinx property penetrates substantial tonnages of ore, additional drilling would be recommended in the two other prospective areas, one of which is situated near the Gold Pen mine and the other 1/2 mile northwest of the Pine shaft.

Respectfully submitted,

Charles E. Melbye
Cert. Prof. Geol. #344

H. W. Ranspot
Consulting Geologist

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers,
COOKE BUILDING, [illegible]
RENO, NEVADA, U.S.A.

Att. 6 -1

P.O. Box 2992
Reno, Nevada 89505, U.S.A.
Telephone (702) 323-8254

Personal: Born January 3, 1914, Tonopah, Nevada
Excellent health, 5 ft. 11 in. tall, 165 lbs.
U.S. citizen, divorced, 3 children (living apart)

Education:

B.A.	English	U. Nevada	1934
B.S.	Geology	U. Nevada	1935
	Geology and Mining Engineering	U. Washington	1935-1937
M.A.	Mining Geology	Harvard U.	1939
Ph.D.	Mining Geology	Harvard U.	1944

Experience summary: 25 years mining geology, mainly in U.S.A., Latin America and India. Since 1957, President, Cooke, Everett & Associates, Inc., consulting geologists, Reno, Nevada. Mining exploration, examination of mines and prospects, geologic, geophysical, geochemical and photogeological studies at operating mines and prospecting. Supervision of large, integrated airborne and ground geophysical, geologic and geochemical survey with follow-up diamond drilling. Mine and surface surveying, sampling, geologic mapping, drafting maps, ore reserve calculations and reports. Open-pit geologic mapping, ore forecasts, reserves, slope control.

Languages: Spanish (fluent), German (fair), French (reading).

Publications: Original Sixteen To One gold-quartz vein, Alleghany, California - Economic Geology, Vol. 42, pp. 211-250, 1947.
How high can mining go? - Mining World, Aug. 1954, 44-48, 71.

Societies:
American Association for Advancement of Science
American Geophysical Union
American Institute of Mining, Metallurgical and Petroleum Engineers
American Institute of Professional Geologists (CPG No. 1633)
American Society of Photogrammetry
Canadian Institute of Mining & Metallurgy
Exploration Geologists of Nevada
Geological Society of Nevada
Mineralogical Society of America
Registered Professional Engineers of Nevada (PE No. 1420)
Sociedad Geológica del Perú

H. R. Cooke

Reno, Nevada
January 29, 1972

COOKE, EVERETT & ASSOCIATES
Geologists, Engineers, Chemists
COOKE BUILDING, 401 COURT STREET
RENO, NEVADA, U.S.A.

Aug. 1957 - present: President, Cooke, Everett & Associates, Inc., consulting geologists, Reno, Nev. Geologic, geophysical, geochemical and photogeologic work in western U.S.A. - iron, gold, silver, copper, lead, zinc, tungsten, molybdenum, manganese, mercury, beryllium (non-pegmatitic), borates, fluorspar, uranium, pyrites (soil additive), diatomite, barite, ground water, geothermal power; Cuba and Costa Rica - manganese, gold, iron (black sands); Colombia - gold and platinum placers (research); Chile - copper, molybdenum, perlite; Argentina - copper, gold, tin, gypsum, tungsten; Bolivia - copper, tin, molybdenum, silver, bismuth, gold, lead, zinc; Brazil - tin; Indonesia - diamonds.

Nov. 1967 - July 1970: Chief geologist (party chief geologist until Aug. 1968), Operation Hardrock, Airborne Minerals Survey & Exploration, for Ralph A. Parsons Corp., in India. Joint U.S.-Indian government project exploring 90,000 sq.km. for base metals by integrated airborne and ground surveying; 140,000 line-km. of airborne geophysics (EM, magnetic, scintillator) followed up by ground geologic, geophysical (EM, magnetic, IP) and geochemical (hot and cold extraction, soil, rock and stream sediment sampling) surveys. Field and office work by 35 geologists, 26 geophysicists and 7 diamond drill crews, backed up by a modern metallurgical and mineralogic laboratory (3 atomic absorption units, fire assaying, petrography).
Reference: G. Conrad Heikes, Parsons Corp. of Australia, Royal Exchange Bldg., Suite 1301, 56 Pitt St., Sydney, NSW 2000, Australia.

Dec. 1954 - July 1957: Senior exploration geologist, Martin, Sykes & Associates, S.A., Venezuela. Air, ground and river exploration, largely in rain-forest, for mineral resources. Magnetometer and scintillometer surveys. Found commercial iron, bauxite and gold deposits.
References: James R. Keighley, 9 Wainwright Drive, Bay Ridge, Annapolis, MD; Dr. Harry J. Sykes, Shawnee-on-Delaware, PA; B.A. Martin, 11729 Joan of Arc, Houston, TX.

Oct. - Nov. 1954: Geologist, Behre, Dolbear & Co., New York. Calculating overburden and ore reserves of Canadian iron property.
References: Samuel H. Dolbear, Dr. Arthur Banfield, or Park Hodges, all of Behre Dolbear & Co., 11 Broadway, New York.

March 1951 - March 1954: Exploration geologist, Northern Perú Mining & Smelting Co. (ASARCO subsidiary), Perú. Mine and prospect examination, topographic and geologic mapping, sampling, managing exploration and diamond drilling programs, geologic work at operating mines.
Reference: L.W. Entwistle, ASARCO Southwest Exploration Dept., P.O. Box 5795, Tucson, AZ.

Jan. 1950 - Jan. 1951: Geologist, Graff & Kruger, Consulting Geologists, Perú. Surveying, sampling and geologic mapping of mine workings, ore reserve calculations; mapping surface geology on maps or air photos; diamond drilling supervision and logging; report on geology of Huarón Mines.
Reference: George E. Kruger, Chase Manhattan Bank, 20 Pine St., New York.

Nov. - Dec. 1949: Geologist and engineer, Volcan Mines Co., Ticlio, Perú. Geologic mapping of mine workings, triangulation system for topographic mapping, mining operations.
Reference: C.H. Fleischman, Volcan Mines Co., Edificio Banco Internacional, J. Lescano, Lima, Perú.

July - Oct. 1949: Geologist, Patiño Mines & Enterprises Cons., Inc., Bolivia. Llallagua (Siglo XX) mine geologic mapping, core logging, ore reserves calculations for block caving, examination of outside mines.
Reference: T.A. Woods-Smith, Bear Creek Mining Co., 161 E. 42nd St., New York.

COOKE, EVERETT G. [illegible]
Geologists, Engineers, [illegible]
COOKE BUILDING, [illegible]
RENO, NEVADA, U.S.A.

Dec. 1946 - June 1949: Geologist, Chile Exploration Co. (Anaconda Copper Co. subsidiary), Chuquicamata, Chile. Geologic mapping of open-pit copper mine and underground workings. Logging core and churn drill cuttings, drafting maps, ore forecasts, slope control. Examination of outside copper and sulfur properties.

April - July 1946: Geologist, U.S. Geological Survey, Montana. Geologic mapping for damsite locations.

March 1943 - March 1946: U.S. Marine Corps - 7 months photogrammetry and cartography, one year teaching geology and interpretation of air photos, Marine Corps Institute, Washington, D.C.

Aug. 1942 - Feb. 1943: Geologist and engineer, Basic Refractories, Inc, Nevada. Topographic and geologic mapping of brucite deposits, drafting, ore reserves calculations of open-pit mine.

June - July 1942: Field engineer, American Metal Co. (now American Metal Climax), Pioche, Nevada. Topographic and geologic mapping, outside exploration.

July - Oct. 1939, June - Nov. 1940: Geologist, Original Sixteen To One Mine, Inc., Alleghany, California. Geologic mapping of all workings of small, high-grade gold mine, calculation of gold production of all stopes, special studies for Ph.D. thesis with 3 geology student assistants.

June - Sept. 1936: Assistant geologist, Black Mammoth Mining Co., Silver Pk., Nevada. Surveying and geologic mapping of mine workings, drafting; report on correlation of gold and $CaCO_3$ content of wall-rock limestone.

CHARACTER REFERENCES

Bruce K. Moore school superintendent	132 Thornbush Drive West Lafayette, IN 47906
Paul Kents geologist	4 Chinook Crescent Ottawa 6, Ontario, Canada
Howard A. Wirtz mining engineer and geologist	3410 Sunset Drive Redding, CA 96001
Dr. L. Wallace Coffer metallurgist	Parsons-Jurden Co. 26 Broadway, New York
Raymond F. Robinson geologist	180 West Laramie Drive Pleasant Valley, Washoe Co., NV
David K. Jordt geologist	c/o PT Kennecott Indonesia 08 Mutiara Singapore 10

H. R. Cooke

Reno, Nevada
January 29, 1972

COOKE, EVERETT & [illegible]
Geologists, Engineers, [illegible]
COOKE BUILDING, [illegible] [illegible] STREET
RENO, NEVADA, U. S. A.

AH 7a.1 DRILL X

KAY-WAY DRILLING CO. INC.

702-463-3379
750 RIVER ROAD
YERINGTON, NEVADA 89447

December 20, 1972

Cooke, Everett & Associates, Inc.
P. O. Box 2992
Reno, Nevada

Dear Mr. Cooke:

I would like to place a bid for drilling of five NX size holes 60 degree incline 300 feet deep on property located thirty eight miles northeast of Hawthorne, Nevada in the Gabbs Valley range.

Price $9.00 per foot drilling plus mud, addatives, cement if needed and core boxes, plus 50% of list price of any rods, bits, casing or drilling equipment lost in hole.

Price includes:

1. Mobilization of all equipment.
2. All set up and tear down time and move from one hole to next hole.
3. All cement time.
4. All time lowering and raising of casing.
5. Water truck and driver and all mud mixing equipment.
6. All labor, fuel, insurance and bit cost.
7. All equipment needed for drilling.

Sincerely,

Jim Kay, Pres.

Jim Kay

JK:lk

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Consultants
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U.S.A.

Att. 7a.2 DOZER

William C. Smith
521 Pearl St.,
Yerington, Nev. 89447
Lic. Contractor, No. 10274
(702) 463-3887

Jan. 30, 1973

Mr. Dick Cook
P.O. Box 2992
Reno, Nev. 89505

Dear Sir ;

I hereby submit the following bid to construct five drill pads and access roads to same in the vicinity of the Gabbs Valley Range :

D7- 3J series- dozer- operator and all incidental operating supplies to tractor @ $20.00 per hour operating time and 2½ hours transport time to job @ $20.00 per hour.
This dozer is cable operated.
Or
D8-14A series- dozer- ripper- all hydraulic - operator and all incidental operating supplies to tractor @ $28.00 per hour. 2 and ½ hours transport time to job @ $25.00 per hour.

Contractor is fully covered with liability and accident insurance.

Respectfully yours
William C. Smith
William C. Smith

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Consultants
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

AH 7a. 3

STATEMENT

GERISH MINING AND EXPLORATION CO., INC.

LICENSED CONTRACTOR ○ EXPLORATORY MINING

275 BRET HARTE AVENUE
RENO, NEVADA 89502

TO:

Cooke-Everett Associates
421 Court Street
Reno, Nevada

DATE February 1, 1973

Attention: Dick Cooke

As an independent contractor
(Nevada State Contractors License No. 9653)
Covered by workmans compensation and liability insurance
in the amount of $100,000 - $300,000
Policy No. 53-319162 - expires 8-19-1975

JOB: BLUE SPINX-GABBS VALLEY, NEVADA

BID: Surface bulldozing and trenching
1966 HYD H.D 16 Dozer with HYD Rippers $30.00/hour
Mobilization $25.00/hour

Thank you.

Richard Gerish
Richard Gerish

DOZER

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U. S. A.

DOZER
Att 7a.4

Eckman Company, Inc.

POST OFFICE BOX 125
MINA, NEVADA 89422
PHONE 702-573-2232

12/23/72

Blue Sphinx Inc.
H.R. Cook
P.O. Box 2992
Reno, Nevada 89505

Re: Blue Sphinx Drill Program

Gentleman,

I respectifully submitt this bid for your proposed work on the Blue Sphinx Claims.

Hourly rent on TD 24 crawler tractor which is a little larger than a Cat. 8, hydralic ripper, at $35.00 per hour maintained and operated.

Transportation, $1.75 per loaded mile Off highway $35.00 per hour.

Yours truly

J.M. Reynolds

J.M. Reynolds

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 431 COURT STREET
RENO, NEVADA, U. S. A.

DRILL

AH 7a.5

LONGYEAR COMPANY
308 EAST PIMA STREET
PHOENIX, ARIZONA 85004
PHONE 258-6543
GEN. OFFICE - MINNEAPOLIS, MINN.

January 6, 1973

Lew Sphinx, Inc.
P. O. Box 2992
Reno, Nevada 89505

Attention: Mr. H. R. Cook

SUBJECT: PROPOSAL COVERING YOUR PLANNED DRILLING PROGRAM LOCATED APPROXIMATELY 40 MILES NORTHEAST OF HAWTHORNE, NEVADA

Gentlemen:

1. In response to your request for bid in the above subject area, we are pleased to submit our proposal to cover your program.

2. It is our understanding that your program will consist of a minimum of 1,500 feet of core drilling, and that you plan to drill approximately five holes. It is also understood that the holes will be collared at an angle of approximately 60 degrees.

It is also understood that Lew Sphinx, Inc. will prepare and maintain the necessary access roads as well as construct the required drill sites including mud pits.

3. For the drilling program we propose to furnish one core drilling machine of suitable capacity and design, together with the required accessory equipment including water and service vehicles.

We will expect to carry out the program operating on a one shift per day, six day per week basis.

4. We will carry Comprehensive General Liability and Automobile Insurance covering personal injury and property damage and also statutory Workmen's Compensation Insurance. Certificates showing these coverages will be furnished upon request.

5. Based upon conditions which we expect will prevail on this program, we are pleased to submit the following price schedule:

a) Mobilization and demobilization of personnel and drilling equipment....$595.00 lump sum/rig

b) Overburden drilling -

	4-1/2" size
0 to 50 feet in depth.....	$6.60 per foot

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AH 7a.6

c) Diamond core drilling in angle holes -

	NQ WL	BQ WL
0 to 500 feet in depth.....	$10.85/ft.	$10.70/ft.

d) Reaming, if required and where applicable, will be carried out at 55% of the above outlined rate.

NOTE: In preparing this proposal we have assumed that the diamond bit expense will average $1.50 per foot drilled or reamed. In the event the actual diamond bit expense should exceed the $1.50 per foot allowance, it is understood and agreed that Lew Sphinx, Inc. will be invoiced for 50% of the amount of overage.

Diamond bit expense will be computed as follows: Diamonds consumed will be priced at $12.50 per carat plus the applicable setting charges for the size and type of diamond set items used, divided by the footage drilled.

e) Rig time, time spent by crews performing cementing activity, installing or pulling casing, performing other necessary hole stabilizing or loss circulation plugging activity will be invoiced at.....$25.00 per hour for each 2-man drill crew.

f) Standby time or delays for your convenience or for which you are responsible, cement setting time, time spent rigging and moving from hole to hole will be invoiced at.....$20.00 per hour for each 2-man drill crew.

g) Cement, drill mud, additives or other hole stabilizing or loss circulation plugging material required for the project will be invoiced at Longyear Company's jobsite cost plus a 10% markup charge.

h) Casing lost or left in drill holes at your request will be invoiced at Longyear Company's list price, jobsite basis.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Consultants
COOKE BUILDING, [illegible]
RENO, NEVADA, U.S.A.

i) Water truck service -

1) Truck rental charge.....$325.00 per month plus 20 cents per mile

2) A source of water will be provided by you at the nearest available point. Also any charges for water at the source will be invoiced to you.

3) A separate, full time water truck driver, if required, will be furnished for.....$6.25 per hour

j) Core boxes, cardboard type, capacity ten feet of core in either NQ or BQ size will be furnished for.....$1.30 each

6. Cores obtained in the drilling program will be turned over to your representative at the drill sites in containers furnished by you or by the Longyear Company as outlined above.

7. Invoices covering the work performed will be prepared as promptly as possible after the fifteenth and last day of each month and payment shall be due within twenty days from your receipt of invoice.

8. If this proposal is acceptable to you it is understood that you will furnish all necessary financial information to our Credit Department in Minneapolis, Minnesota for its use in determining the type of financing which will be required to cover the work.

It is further understood that this proposal is subject to the condition that you secure written approval of your arrangement for payment for the work to be performed before it is commenced. Written approval can only be given by a corporate officer of the Longyear Company by separate letter. Also, such approval can be withheld in his sole discretion.

9. This proposal will serve as the Agreement for the performance of the services and the furnishing of the equipment as described above if accepted by you and returned to the Longyear Company at its Phoenix, Arizona office within thirty days from date hereof.

R.R.Muncy:smb

Sincerely,

LONGYEAR COMPANY

Roy R. Muncy

Manager, Southwestern Zone
Contract Drilling Division

ACCEPTED:
Company_____

By_____

Title_____

Date_____

COOKE, EVERETT & ASSOCIATES, LTD.
Geologists, Engineers, Chemists
COOKE BUILDING, [illegible] STREET
RENO, NEVADA, U.S.A.

Att. 7a 8

CONTINENTAL DRILLING COMPANY

DIAMOND DRILLING CONTRACTORS
ROTARY DRILLING CONTRACTORS

505 HOT SPRINGS RD.
CARSON CITY, NEVADA
TELEPHONE 882-0197

MINERAL AND FOUNDATION
EXPLORATION DRILLING
CEMENT GROUTING
CHEMICAL GROUTING

MAIN OFFICE:
2810 NORTH FIGUEROA
LOS ANGELES, CALIFORNIA 90065
TELEPHONE 222-7146

Jan. 3, 1972

Cooke Everett & Associates Inc.
P. O. Box 2992
Reno, Nevada 89505

Gentlemen,

The following is our proposal for the drilling program you have planned on the Blue Sphinx property in the Gabbs Valley area.

Item 1. Mobilization and Demobilization

Lump Sum includes setting up on first hole. $500.00

Item 2. Move from Hole to Hole

Each Move 175.00

Item 3. Core Drilling Rates, angle holes

Depth	Size NXWL	Size BXWL
0' to 500'	8.80ft.	8.00 ft.

Item 4. Cementing Hole/Drill Cement out of Hole

Per Hour Rate 21.00

Item 5. Placing Casing in Hole/Recovering Casing from Hole

Per Hour Rate 21.00

Item 6. Standby Time

Delays, Ordered or Caused by Owner charged @ per hour 18.00

Item 7. Core Boxes

Furnished by Contractor @ per each 1.10

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 421 COURT STREET
RENO, NEVADA, U.S.A.

Att. 7a:9

CONTINENTAL DRILLING COMPANY

DIAMOND DRILLING CONTRACTORS
ROTARY DRILLING CONTRACTORS

505 HOT SPRINGS RD.
CARSON CITY, NEVADA
TELEPHONE 882-0197

MINERAL AND FOUNDATION
EXPLORATION DRILLING
CEMENT GROUTING
CHEMICAL GROUTING

MAIN OFFICE:
2810 NORTH FIGUEROA
LOS ANGELES, CALIFORNIA 90065
TELEPHONE 222-7146

Item 8. Water Haul

Source of water supply to be furnished by Owner.
Contractor to haul water at following rates:

Water Truck Rental	@	Per month	$350.00
		Per mile	.17

If it becomes necessary to hire a driver in order to keep ample supply at rig, his wages @ 3.50 per hour plus payroll taxes and insurances will be charged to Owner.

Item 9. Casing Left or Lost in Hole

	Left in Hole by Request	Lost
NX Casing	3.50 ft.	3.00 ft.
Bx Casing	3.00 "	2.50 "

Item 10. Drill Pads and Drill Pad access roads to be formed by Owner

Item 11. Surveying Drill Holes

Per Hour Rate 25.00

Item 12. Reaming Holes

NXWL	@	per ft.	3.75
BXWL		" "	3.50

Item 13. Mud Materials, Additives, Cement, Lost Circulation Materials furnished by Contractor and charged to Owner @ cost plus 10% handling.

If you have any questions concerning this proposal, please contact us at your convenience. We will be happy to make any clarification necessary.

Yours Truly,
J. A. McDougall
J. A. McDougall
Continental Drilling Co.

COOKE, EVERETT & ASSOCIATES, INC.
Geologists, Engineers, Chemists
COOKE BUILDING, 401 COURT STREET
RENO, NEVADA, U.S.A.

MME Form 14
July 1965

Contract No. Idm-E) 14-23) 2312

Docket No. DMEA) MME) 6886

Date of Action August 27, 1976
Release of Funds

DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

OBLIGATION DOCUMENT

To: Chief, Branch of Budget & Finance

From: Chief, Office of Minerals Exploration

Please enter the amounts shown below on the accounts of the Office of Minerals Exploration.

Name and Address of Contractor:
Blue Sphinx, Inc.
P.O. Box 16195
Portland, Oregon 97216

Date of Contract	Region	State	Commodity
October 26, 1973	II Reserve	Nevada	Gold & Silver Obligation
Prior Amount			$207.00
Increase			0
Decrease			207.00
Revised Amount			0

Remarks: Please release $207.00

cc: 110
800
210

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 27 1975
INITIALS CODE
HK

January 22, 1975

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

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

H. K. Stager

Enclosure

Final Field Report

FINAL FIELD REPORT - OME EXPLORATION PROJECT

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

January 16, 1975

1. OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Operator: Blue Sphinx, Inc.
c/o Mr. William B. Murray
1606 Standard Plaza Bldg.
Portland, Oregon 97204

Property: Consists of 13 unpatented lode mining claims in secs. 33 and 34, T. 11 N., R. 32 E., sec. 1, T. 10 N., R. 32 E., and sec. 6, T. 10 N., R. 33 E., MDBM, Bovard Mining District, Mineral County, Nevada. These claims are shown on a map attached to the contract and are recorded in the office of the County Recorder of Mineral County at Hawthorne, Nevada, as follows:

Claim Name	Volume	Page
Blue Sphinx	12	81
Blue Sphinx No. 1	12	82
Sphinx No. 2	12	203
Sphinx No. 3	12	204
Sphinx No. 4	12	204
Sphinx No. 5	12	205
Sphinx No. 6	34	607
Sphinx No. 7	34	608
Nesta	12	510
Nesta No. 1	12	511
Nesta No. 2	12	511
Nesta No. 3	34	610
Nesta No. 4	34	612

Ownership: The Operator was in possession of the Sphinx No. 6, Sphinx No. 7, Nesta No. 3, and Nesta No. 4 claims by right of location. The remainder of the claims were held by the Operator by virtue of an offer by Homer D. Duggins, dated June 1, 1972, to and accepted by Blue Sphinx, Inc., assigning a Lease and Option, dated August 10, 1971, by and between Manuel R. Negrete (since deceased) and Marie N. Connelly, Lessors, and Homer D. Duggins, Lessee. A Lien and Subordination Agreements executed by Marie N. Connelly and dated August 11, 1973, was attached to the contract.

2. Purpose of project: The purpose of the project was to explore for gold- and silver-bearing ores by drilling in a mineralized fault zone cutting volcanic rocks of Tertiary age.

3. Contract: Dated October 26, 1973, for a term of 12 months.
Original contract amount - $20,000.00
Government participation (75%) - $15,000.00

Amendment No. 1, dated January 17, 1974, to permit drilling of BX-size core and to establish a contract cost for BX drilling.

4. Project work: Started - November 9, 1973.
Completed - February 11, 1974.

Cost Items	Authorized			Completed	
Actual Costs	Units	Rate	Amount	Units	Amount
Mobilization and demobilization of bulldozer	Job	$100.00	$ 100.00	Job	$ 100.00
Bulldozing access roads and drill sites	8 hrs	$20/hr	$ 160.00	8 hrs	$ 160.00
Core drilling	1,500 ft	$9/hr NX $8.50/hr BX	$13,500.00	1,501 ft	$13,458.00
Drilling additives	----	List price	$ 200.00	----	$ 200.00
Lost drill bits, rods, casing	----	50% List price	$ 260.00	----	$ 26.00
Core boxes	150	$1.20/ea	$ 180.00	150	$ 180.00
Total Actual Costs			$14,400.00		$14,124.00

4. Project work (Contd):

Cost Items	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Fixed Unit Costs					
1 Supervisor	2 mos	$1,000/mo	$2,000.00	2 mos, 11 days	$2,252.00
Consulting geologists	10 days	$115/day	$1,150.00	10 days	$1,150.00
Consultants' Per Diem	10 days	$25/day	$ 250.00	10 days	$ 250.00
Consultants' travel	1,000 mi	10¢/mi	$ 100.00	1,000 mi	$ 100.00
Assaying for gold and silver	150 samples	$12/smpl	$1,800.00	129 samples	$1,548.00
Office expenses	3 mos	$100/mo	$ 300.00	3 mos	$ 300.00
Total Fixed Unit Costs			$5,600.00		$5,600.00
Total Cost of Project			$20,000.00		$19,724.00
Government participation at 75%			$15,000.00		$14,793.00
Paid to the Operator					$14,793.00

The Government retained no equity in any of the material used.

Effectiveness of the work: The most favorable target areas were adequately explored.

Efficiency of the Operator: The work was done in an efficient manner in less time than was allowed by the contract.

5. Reports:

Operator's Final Report: An acceptable Final Report was received on March 22, 1974.

Audits: A Memorandum Audit Report was prepared by the Office of Audit and Investigation, Eastern Region, on December 9, 1974. This audit questioned one item that had been paid under Fixed Unit Costs. Payment of the questioned item was justified by a memorandum from the Chief, OME, dated December 24, 1974.

Final payment to the Operator was made on April 10, 1974.

5. Reports (Contd):

Royalty Review: There was no ore mined or sold during the period of the contract and no royalty was due the Government. A Royalty Review was not requested.

6. Project Results:

Discoveries: There were no significant discoveries of gold- or silver-bearing material. Maps, drill logs, and assays were attached to the Operator's Monthly Reports. Assays for the 129 samples obtained from the drill cores indicate a gold content of less than 0.23 ounce per ton (highest assay) with most of the assays indicating less than 0.1 ounce per ton and a silver content of less than 1 ounce per ton. No ore reserves were discovered or inferred as a result of the work. Future production is probably not economically feasible and future development and exploration are not warranted.

Certification: The OME work did not result in a discovery of minable ore and certification was not recommended. The Operator was notified on January 7, 1975 that the Government retains no claim or lien against the property.

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

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

7. Geologic Summary: The ore bodies that have been mined at the Blue Sphinx and adjacent mines consist of gold- and silver-bearing ore shoots in quartz veins within the Bovard fault zone. The quartz veins range from a few inches to about 10 feet thick and where mined have averaged about 5 feet thick. Only a few small ore shoots have been mined in the Blue Sphinx mine although the vein has been developed to a depth of 250 feet. Ore minerals are free gold with some electrum, cerargyrite, and argentite, in a gangue of iron and manganese-stained quartz. Only a small tonnage of ore, of unknown grade, has been mined from the Blue Sphinx mine although the district has yielded gold, silver, and copper ores with a reported value of $360,000.00.

FINAL FIELD REPORT - OME EXPLORATION PROJECT

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

January 16, 1975

1. OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Operator: Blue Sphinx, Inc.
c/o Mr. William B. Murray
1606 Standard Plaza Bldg.
Portland, Oregon 97204

Property: Consists of 13 unpatented lode mining claims in secs. 33 and 34, T. 11 N., R. 32 E., sec. 1, T. 10 N., R. 32 E., and sec. 6, T. 10 N., R. 33 E., MDBM, Bovard Mining District, Mineral County, Nevada. These claims are shown on a map attached to the contract and are recorded in the office of the County Recorder of Mineral County at Hawthorne, Nevada, as follows:

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Ownership: The Operator was in possession of the Sphinx No. 6, Sphinx No. 7, Nesta No. 3, and Nesta No. 4 claims by right of location. The remainder of the claims were held by the Operator by virtue of an offer by Homer D. Duggins, dated June 1, 1972, to and accepted by Blue Sphinx, Inc., assigning a Lease and Option, dated August 10, 1971, by and between Manuel R. Negrete (since deceased) and Marie N. Connelly, Lessors, and Homer D. Duggins, Lessee. A Lien and Subordination Agreements executed by Marie N. Connelly and dated August 11, 1973, was attached to the contract.

2. Purpose of project: The purpose of the project was to explore for gold- and silver-bearing ores by drilling in a mineralized fault zone cutting volcanic rocks of Tertiary age.

3. Contract: Dated October 26, 1973, for a term of 12 months.
Original contract amount - $20,000.00
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Amendment No. 1, dated January 17, 1974, to permit drilling of BX-size core and to establish a contract cost for BX drilling.

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Total Actual Costs			$14,400.00		$14,124.00

4. Project work (Contd):

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Consulting geologists	10 days	$115/day	$1,150.00	10 days	$1,150.00
Consultants' Per Diem	10 days	$25/day	$ 250.00	10 days	$ 250.00
Consultants' travel	1,000 mi	10¢/mi	$ 100.00	1,000 mi	$ 100.00
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Paid to the Operator					$14,793.00

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300
953

AN EQUAL OPPORTUNITY EMPLOYER

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF THE INTERIOR
INT-413

U.S.MAIL

AIRMAIL

RETURNED TO WRITER
JAN 11 1975
47 FROM PORTLAND, OREGON

Blue Sphinx, Inc.
P. O. Box 16195
Portland, Oregon 97216

UNDELIVERABLE AS ADDRESSED
UNABLE TO FORWARD 97216

20

Called Mr. Mears on
Jan. 15, 1975 for
new address as folldws:

Mr. Jack Mears
Route 1, Box 1775
Hood River, Oregon 97031

January 7, 1975

Blue Sphinx, Inc.
P. O. Box 16195
Portland, Oregon 97216

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

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

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Copy to: Marie N. Connelly
8810 Etiwanda
Northridge, California 91324

cc: R. II
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

January 7, 1975

Ms. Marie N. Connelly
8810 Etiwanda
Northridge, California 91324

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Dear Ms. Connelly:

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

This correspondence relates to the Lien and Subordination Agreements signed by you on August 11, 1973, for this contract.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosure
cc: R. II

DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

HKirkemo/gpw

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 7 1975
INITIALS | CODE
HK | HK

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

January 2, 1975

Mr. William B. Murray
1606 Standard Plaza Bldg.
Portland, Oregon 97204

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Dear Mr. Murray:

Enclosed is a copy of a Memorandum Audit Report on the Blue Sphinx, Inc. contract. Will you please see that this report is placed in the Operator's files.

The $252.00 allowed excess in supervision costs, questioned by the audit, has been settled administratively and we are closing our books on this contract. The Operator will receive a letter shortly indicating that the Government retains no lien on the property.

If you or the Operator have any questions, please call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

cc: Chief, OME, Reston, Va.
Dir RF
MR RF
MP RF
Docket 6886

HLStager:mlb
1-2-75

December 24, 1974

Memorandum

To: Field Officer, OME Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Enclosed are two copies of an audit report on the above docket, plus a Memorandum to the Record with comments regarding same.

Gail P. Wiegand

for Harold Kirkemo

Enclosures

cc:

DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

HKirkemo/gpw

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

December 24, 1974

Memorandum

To: The Record

From: Chief, Office of Minerals Exploration

Subject: Comments on audit report on OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

This memorandum refers to the exception in the audit report to a payment of $252 in excess of the estimated cost of $2,000 for Supervision under Fixed Unit Costs in the subject contract.

Claims totalling $2,252 for supervision were approved and paid in accordance with Article 6(a) Allowable Costs which states in part as follows:

> "The allowable costs of the work to which the Government will contribute are limited to:
>
> (1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and
>
> (2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A."

Article 6(a) further states that "any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable."

Supervision for the Blue Sphinx contract was placed under Fixed Unit Costs, thus the restrictive provision of Actual Costs, Category 2 that all elements are maximums is not applicable. Neither the fixed unit cost of $1,000 per month for Supervision, nor the total allowable cost of $5,600 for work under Fixed Unit Costs were exceeded. The additional amount of $252 approved for Supervision was offset by the cost of $1,548 approved for Fire assaying which the contract had authorized for an estimated total of $1,800. The Government did not contribute to any costs in excess of the amount authorized by the contract.

We often have defended our position regarding exceptions to claims such as the one noted in this audit report, and have received legal advice from the

We often have defended our position regarding exceptions to claims such as the one noted in this audit report, and have received legal advice from the Office of the Solicitor in interpreting the provisions of Article 6 in the contract. We believe that our explanation for the allowance is in accord with this advice.

Harold Kirkemo

Harold Kirkemo

HK 4/2/74

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of February, 1974

Docket No. OME- 6886
Contract 14-08-0001 2312
Contract Amount $ 20,000.00
Gov't. Participation % 75 $ 15,000.00

Operator's Name Blue Sphinx, Inc.
Address Oregon Bank, Midland Branch, P.O. Box 16146
~~Portland, OR 97233~~

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
ACTUAL COSTS		$		$		$		$
Bulldozing	----	----	job	260.00	0	0	MAX.	260.00
Core drilling								
DDH-5, NX, $9/ft	324'	2,916.00	1,501'	13,458.00	324'	2,916.00	1,501'	13,458.00
Core drilling additives	job -	276.00	job	476.00¿	---	~~276.00~~	---	~~476.00~~
Core boxes	26	31.20	150	180.00	26	31.20	150	180.00
Casing, NX	13'	26.00	13'	26.00	13	26.00	13	26.00
FIXED UNIT COSTS			+ 11 days					
Supervisor	11 days	252.00	2 mo.	2,252.00¿	11 DAYS	252.00	2 MO. 11 DAYS	2,252.00*
Consulting geologist	1 day	115.00	10 days	1,150.00	1 DAY	115.00	10 DAYS	1,150.00
Consultant's per diem	1 day	25.00	10 days	250.00	1 DAY	25.00	10 DAYS	250.00
Consultant's travel	----	----	1000 mi.	100.00	0	0	1,000 mi	100.00
Fire assay	32	384.00	129	1,548.00	32	384.00	129	1,548.00
Office expenses	11 days	37.00	3 mo.	300.00	11 DAYS	37.00	3 MO.	300.00
						3786.20		19724.00
TOTALS		$ 4,062.20		$ 20,000.00		$ ~~4,062.20~~		$ ~~20,000.00~~

¿ - See letter, March 18, 1974

I certify that the above bill is correct and just and that payment therefor has not been received.

Date March 18, 1974 *Payee Blue Sphinx, Inc.

Per H. R. Cooke, Jr. Title Field Supervisor

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

Willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer 4-22-74 Date

Approved for: $ 2839.65 (SUBJECT TO AUDIT)

Signature FAN

Date 10 APR 1974 Vou. No. R4388A

(SEE OTHER SIDE)

~~* UNDER ACTUAL COSTS - EXCESS OF $42.00 FROM CORE DRILLING AND $234.00 FROM LOST CASING, BITS, RODS, ETC. ALLOWED AS AN INCREASE IN DRILLING ADDITIVES BECAUSE OF LARGE OVERAGES FROM PREVIOUS MONTHS COSTS, (BILLS ALREADY SUBMITTED).~~

1) Contract limits additives to $200.00 total. Disallow $200.00. M. Kirkham 4/1/74.

* UNDER FROM UNIT COSTS - ALLOWED $252.00 EXCESS FROM ASSAYING TO BE APPLIED TO SUPERVISION.

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

March 18, 1974

Mr. Harold K. Stager
Office of Minerals Exploration
U. S. Geological Survey
345 Middleford Road
Menlo Park, CA 94025

Dear Mr. Stager:

Re: Blue Sphinx, Inc.
OME Docket No. 6886, Contract No. 2312

On March 18, 1974, we submitted the invoices and report for the Blue Sphinx drilling, which was completed on February 11, 1974. The full contract amount for drilling, lost tools and casing, and assays was not used nor charged. On the other hand, several categories of expenses considerably exceeded the contract amounts: bulldozing, drilling additives and core boxes; the fixed unit costs also considerably exceeded the contract amounts because the drilling took three months instead of the estimated two months.

We therefore request approval to charge the full contract amount for this job, of $20,000.00. Since the total actually charged was $19,472.00, the additional amount requested here is $528.00.

Sincerely,

H. R. Cooke, Jr.

cc: H. D. Duggins

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

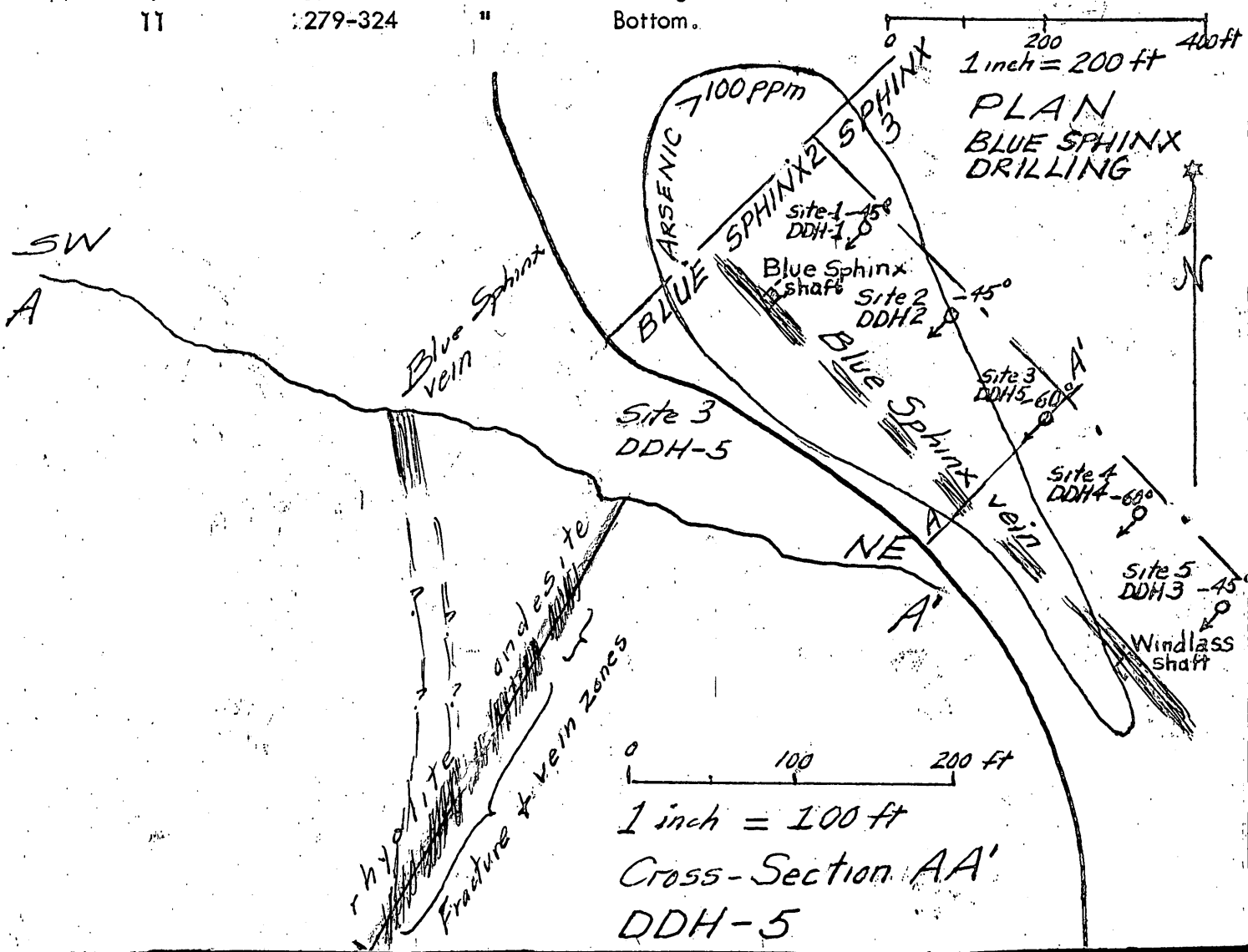
P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

March 12, 1974

NARRATIVE REPORT FOR FEBRUARY 1974, BLUE SPHINX DRILLING;
DOCKET NO. OME-?"?, CONTRACT 14-08-0001, NO. 2312.

February	Drilled depth, feet	Bit size	
1	0- 24	Rock bit) NXWL)	Drilled to 13' through overburden with rock bit, cased, then drilled 13-24' with NXWL.
4	24- 68	NXWL	
5	68-123	"	
6	123-150	"	
7	150-174	"	
8	174-225	"	
9	225-279	"	1000 gallon-load of water delivered.
11	279-324	"	Bottom.



KAY-WAY DRILLING CO. INC.

702-463-3379
~~750 RIVER ROAD~~
YERINGTON, NEVADA 89447
131 4th Avenue

February 26, 1974

Cooke, Everett & Associates, Inc.
P. O. Box 2992
Reno, Nevada 89505

Invoice for drilling 2-1-1974 thru 2-11-1974 on the Blue Sphinx Property

Hole # 5

$9.00 per foot drilled		0 to 324 feet	$2,916.00
Core boxes	35	$1.25 each ~~$15.00~~	38.75
Mud jell	2 sk.	1.77 each	3.54
Marking blocks			8.00
Rods and cable cemented in the ground for holding down drill			20.00
10 bales of straw used for insulation to keep mud from freezing		1.25 each	12.50
15 feet NX casing left in hole for collar *			26.00
$200.00 paid to Gabbs Valley Ranch for grading road to drill site			200.00
			$3,224.79

* Not left at operator's request; could not be pulled.
HRCoshal

KAY-WAY DRILLING CO. INC.

702-463-3379
~~750 RIVER ROAD~~
YERINGTON, NEVADA 89447
131 4th Avenue

February 26, 1974

Invoice for November 1973	$1,362.39
Invoice for December 1973	4,460.74
Invoice for January 1974	5,523.28
Invoice for February 1974	3,224.79
Total for job	$14,571.40

Payments Made	$ 3,000.00
	2,800.00
	1,500.00
	3,000.00
	$10,300.00

	$14,571.40
	10,300.00
Total Due	$ 4,271.40

Plus $1,500 worth of stock in the Blue Sphinx Corporation

Nevada Assay Office

675 LESTER AVE.

Reno, Nevada 89502

FRANK W. JONES
Assayer-Chemist

February 15, 1974

Phone
329-4080

ASSAY CERTIFICATE FOR: Dick Cook, Reno, Nev.

NO.	SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
	BSD-109	0.02	0.1					
	BSD 115	Tr	0.1					
	BSD 121	Tr	0.1					
	BSD 128	Tr	0.1					

February 15, 1974

Hand Sample Serial 113179

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER		GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD	130	.004	.19									
	131	.004	.41									
	132	.009	.23									
	133	.007	.26									
	134	0	.28									
	135	.008	.13									
	136	.012	.21									

Remarks

Charges $

William T. Sopley

March 4, 1974

Hand Sample Serial 114011

Mine Cooke Everett and Assoc,

Reno, Nevada

Nevada Assay Office

5800 RENO HIGHWAY

FALLON, NEVADA 89406

Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 137	.009	.18									
138	.007	.08									
139	Tr	.20									
140	.002	0									
141	.043	.16									
142	.020	.35									
143	.006	.41									
144	.007	.28									
145	tr	.17									
146	.010	.17									
147	.005	.20									
148	.004	.34									
149	Tr	.47									
150	.008	.32									
151	.008	.28									
152	0	0									

Remarks

Charges $

William F. Copley

March 4, 1974

Hand Sample Serial 114011

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 153	.004	.15									
154	Tr	.44									
155	0	0									
156	.003	.29									
157	Tr	.10									
158	.013	.19									
159	Tr	.14									
160	.006	.11									
161	.002	0									

Remarks

Charges $

William R. Ropley

March 13, 1974 Hand Sample Serial 114031

Mine Cooke Everitt and Assoc.

Reno, Nevada

RESULTS PER TON OF 2000 POUNDS

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
162	.010	.53									
163	.009	.32									
164	Tr	.32									
165	Tr	.25									
166	Tr	.82									
167	Tr	.06									
168	.005	.30									
169	Tr	.30									

Remarks Run as 4 AT units

Charges $

Alfredson Kirby

The 13 Blue Sphinx claims cover a 4,500-foot segment of the Bovard fault zone, at the southeast end of the Bovard district. This fault cuts a volcanic pile several thousand feet thick of flat to moderately dipping Tertiary andesite and rhyolite flows. It strikes northwest and dips steeply northeast. Regional geology suggests a large displacement, both laterally (dextral), and vertically (normal). At the Blue Sphinx mine, at least a thousand feet of normal displacement is indicated by overlying andesite down-faulted on the fault hanging wall to lie against the footwall rhyolite. Underground cross-cuts, and all five drill holes through the fault, show 50 feet to over 150 feet of gouge, breccia, crush, pyrite, vein quartz and other gangue. Gold production from the Blue Sphinx and other mines in the Bovard district came from quartz veins on or near the Bovard fault zone. An earlier geochemical survey along the fault zone, made by Melbye Associates, showed the largest arsenic anomaly (100+ ppm), 1,000 x 300 feet, at the Blue Sphinx mine, between the Blue Sphinx and Windlass shafts, and extending slightly north onto Gold Penn ground. The common close association of arsenic with gold suggested that this anomaly merited exploration. Melbye recommended diamond drilling it, which was carried out in the present project.

The drill core was logged, split and sampled, usually in 10-ft sections. For greater assay dependability, 4-assay ton charges were used in fire assaying. Check assays ran in other laboratories by fire assay or atomic absorption confirmed the low gold-silver grades found in the original assays. The values shown are sub-economic except for a few samples, too scattered to constitute minable ore blocks or calculable ore reserves.

No ore production was made during the project.

4. The drilling took three months instead of the two months estimated. This was due largely to delays caused by winter snows, difficulty in getting the loaded water truck up the access road, and short runs and slow drilling in the Bovard fault zone, which made up about half of all the drilling. In spite of the difficult drilling and coring in the fault zone, due to competent and conscientious drilling, core recovery was very good - over 90% average. The overall contract drilling cost (Actual Costs) was low, especially for such difficult drilling: $14,400 for 1,501 ft of NX WL drilling, including bulldozing, or $9.60/ft. However, the total charged Blue Sphinx was $2,458 more - $16,858, or $11.23/ft - still quite low. An additional estimated $1,598 extra was incurred in the Fixed Unit Costs, but not charged Blue Sphinx, as follows:

FIXED UNIT COST	Rate	Contract time	Actual time	Extra time	Extra cost
Supervisor	$ 1,000/mo.	2 mo.	3 mo.	1 mo.	$ 1,000
Consulting geologist	115/day	10 days	15 days	5 days	575
" " per diem	25 "	10 "	15 "	5 "	125
" "travel	10 "	10 "	15 "	5 "	50
Office expense	100/mo.	3 mo.	4 mo.	1 mo.	100
					1,850
		Requested, letter, March 18, 1974:			- 252
					1,598

The drilling results show that a large body of open-pitting ore in the Blue Sphinx-Windlass Shafts section is most unlikely. Also, the usefulness here of arsenic as a gold indicator is now doubtful. However, high-grade ore shoots may exist which were not cut by the drilling, similar to those sampled and mined in the old underground workings. These might be exploited by underground mining.

Plans for future operations are indefinite yet. Further exploration on the surface and underground is proposed. Exploratory drifting on known ore shoots may be tried, especially if a mill is opened up nearby to ship the ore to. Exploration is also proposed for possible large, deep ore bodies in the andesite hanging wall of the Bovard fault zone.

H. R. Cooke, Jr., Field Supervisor

Reno, Nevada
March 18, 1974

OME-Blue Sphinx drilling contract, OME Docket no. 6886, Contract no. 2312: COST SUMMARY

1 ACTUAL COSTS	2 Nov. 1973	3 Dec. 1973	4 Job	5 Jan. 1974	6 Job	7 Feb. 1974	8 Job	9 OME limit	9-8	10 Job OME 1974
Bulldozing	260 –	—	260 –	—	260 –	—	260 –	260 –	0	260 –
Drilling	1,167 –	4,161 –	5,268 –	5,274 –	10,542 –	2,916. –	13,458 –	13,500 –	42 –	13,458 –
Drill. additives	200 –	—	200 –	—	200 –	—	200 –	200 –	0	476 *
Rods, etc. lost	—	—	—	—	—	~~32~~ 26	~~32~~ 26 –	260 –	~~234~~ 234 –	26 –
Core boxes	12.96	65 –	77.96	70.84	148.80	31.20	180 –	180 –	0	180 –
										14,400 –
FIXED UNIT COSTS										
Supervisor	632 –	1,000 –	1,632 –	368 –	2,000 –	—	2,000 –	2,000 –	0	2,252 *
Cons. geologist	345 –	460 –	805 –	230 –	1,035 –	115 –	1,150 –	1,150 –	0	1,150 –
" , per diem	75 –	100 –	175 –	50 –	225 –	25 –	250 –	250 –	0	250 –
" travel	27.40	54.80	82.20	17.80	100 –	—	100 –	100 –	0	[illegible]0 –
Assays	—	324 –	324 –	840 –	1,164 –	384 –	1,548 –	1,800 –	252 –	1,548 –
Office exp.	63 –	100 –	163 –	100 –	263 –	37 –	300 –	300 –	0	300 –
										5,600 –
Totals	2,722.36	6,264.80	8,987.16	6,950.64	15,937.80	~~3,531.20~~ 3,534.20	~~19,472.00~~ 19,472.00	20,000.00	~~541.00~~ 528.00	20,000 –

* See letter, March 18, 1974

ASSAYS

DDH-1	BSD 1-27
2	31-62
3	70-92
4	101-136, 200 (=129)
5	137-169

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

Blue Sphinx Inc
Oregon Bank, Midland Branch
PO Box 16146
Portland, Oregon 97233

Amount Claimed:	Differences (Explained Below)	Amount Approved
$4,062.20	$276.00	$3,786.20 2,839.65 (Govt Part.) 0 75%
Bu. Voucher No.	**Payee's Invoice No.**	**Period**
	Docket #6886 Contract #2312	February, 1974

EXPLANATION

/ Contract limits additives to $200.00 total

Any reclaim for items deducted must be included as a separate item on subsequent monthly voucher and supported by the original fan of this statement.

Branch of Budget and Finance

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

March 28, 1974

Mr. Harold K. Stager
Office of Minerals Exploration
U. S. Geological Survey
345 Middleford Road
Menlo Park, CA 94025

Re: Blue Sphinx, Inc., OME Docket No. 6886, Contract No. 2312

Dear Hal:

I'm enclosing copies of three check assays, along with the logs of DDH-5 on which they are posted.

I talked to Jim Kay, the driller, about cleaning up at the site. He said he would do this before he leaves for his next job, near Greenville, CA, early April. He wanted to collect his cement, core boxes, etc., too, of course.

I got a big manila envelop from the U.S. Fish & Wildlife Service in Ojai, CA, on the condor. I guess your brother must have requested this office to send me information. It's a big help. We'll check in with them when we go there in mid-April. Thanks for the lead.

Hope to see you again when you're up this way.

Sincerely,

H. R. Cooke, Jr.

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O. M. E.
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APR 5 1974
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APR - 1 1974
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

ROCKY MOUNTAIN GEOCHEMICAL CORP.
840 GREG STREET • SPARKS-RENO, NEVADA 89431 • PHONE: (702) 359-6311
RENO OFFICE

Certificate of Analysis

RMGC Numbers:
Local Job No.: 74-7-19R
Foreign Job No.:
Invoice No.: 8240

Date: March 26, 1974

Client: Cooke-Everett & Associates
P. O. Box 2992
Reno, Nevada

Client Order No.: None

Report On: 3 pulps

Submitted by: Dick Cooke

Date Received: March 22, 1974

Analysis: Gold and Silver

Analytical Methods: Analysis is determined by atomic absorption.

Remarks: None

cc: Enclosed
RMGC
File

GMF:cj----------

BSD Series Sample No.	Oz/T Gold	Oz/T Silver
149	-0.003	0.09
159	-0.003	0.06
167	-0.003	0.03

By Gary M. Fechko
Gary M. Fechko

Rocky Mountain Geochemical Corporation
Sparks, Nevada March 26, 1974

All values are reported in parts per million unless specified otherwise. A minus sign (—) is to be read "less than" and a plus sign (+) "greater than." Values in parenthesis are estimates. This analytical report is the confidential property of the above mentioned client and for the protection of this client and ourselves we reserve the right to forbid publication or reproduction of this report or any part thereof without written permission.

ND = None Detected 1 ppm = 0.0001% 1 Troy oz./ton = 34.286 ppm 1 ppm = 0.0292 Troy oz./ton

[illegible]ND DRILL HOLE LOG Site #3 Blue Sphinx mine Location Mineral Co., Nevada Page 1 of 2

[illegible] No. DDH-5 Alt. [illegible] Coord. N [illegible] E [illegible] Bearing S45°W Incl in. -60° Start Jan. 29, 1974

Finish Feb. 11, 1974 Depth 324' Logged by HRCooke Anal. by Nevada Assay Office

Remarks; ~~abbreviations & symbols~~ Wireline drilling; 4 AT fire assay charges; see below under Notes for abbreviations & symbols. Underlined assays: Rocky Mtn. Geochemical Corp., atomic absorption.

Run depth ft	Core size	recovery feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag	Notes
0- 13	rock bit	0	0		Overburden.				
13- 23	NX	10	100		Andt ppy, alt, weathered, 13-30': plagioclase phenocrysts alt to clays	BSD-137	.009	.18	
23- 30		6.0	85		& ser;shattered, fr zs(Xirg);py(tr) w/ lmt coatings, py casts(X)w/ rusty lim, rusty lim(X-+)on seams & vlts, blk	BSD-138	.007	.08	
30- 40		9.0	90		MnOx(±)on partings;green Fe sulfates (±)on partings.	BSD-139	tr	.20	
40- 50		9.5	95		Andt ppy, alt, 30-67': plagioclase lathes alt to clays & ser, & honeycombed w/ py(loc+) & py casts, & lim pseudo-	BSD-140	.002	nil	
50- 60		9.5+	95		morphs after py, & empty py casts (+ loc);Sid & hard(loc), q vlts(±)w/rusty & black	BSD-141	.043	.16	
60- 67		7.0	100		lim cores; fr zs(Xirg);rusty lim(X) & blk MnOx(X) on partings.	BSD-142	.020	.35	
67- 77		9.5	95		30-32' Py cubes dsmd(X)in unoxidized andt ppy.	BSD-143	.006	.41	
77- 87		9.5	95		Andt ppy, alt, fr z, 67-94': mostly soft, friable, w/gg, bx(irg+)&rusty limstn(x) & box-	BSD-144	.007	.28	
87- 94		6.5	93		works on vlts(±);jar(loc±)w/py casts;waxy alunite? coatings on fr(locX).	BSD-145	tr	.17	
94-104		9.4	95		86-87' Wet, mucky. 91-94' Py dsmd(X).	BSD-146	.010	.17	
104-109		4.0	80		Andt ppy, alt, 94-109': Mostly hard, plagioclase lathes argillized & oxidized;Sin(locX);py dsmd (locX); gg&bx(locX);rusty lim vlts w/ gypsum(X).	BSD-147	.005	.20	
109-119		6.0	60		107' Reddish phenocrysts or fragments(±) - jasper?	BSD-148	.004 -.003	.34 .09)	
119-129		8.0	80		Andt ppy fr z, 109-157': mostly soft & broken; clay & ser alt(X);gg&bx, grey(+); v q or Sid fragments, rounded(milled?)(loc±)to 2";	BSD-149	tr	.47)	
129-139		8.0	80		alunite? coatings(X)on partings & sh shears.	BSD-150	.008	.32	
139-149		7.5	75		129' Q vlt, 6" thick. 130-132' Several slickensides, black gg at 45° to core.	BSD-151	.008	.28	
149-157		6.0	75		Rhy ppy, alt, fr z, 157-299': Grey gg&bx(+), soft, plastic to friable;clay	BSD-152	nil	nil	
157-167		7.5	75		alt(+);white alunite? on frs;q eyes (+)to .3"diameter;thin black gg(loc+); hard Sid&pyd fragments to 4"(locX)	BSD-153	.004	.15	
167-177		7.5	75		rounded - milled?;py dsmd(±-X).	BSD-154	tr	.44	

Abbreviations

Ag	silver
alt	alteration
andt	andesite
Au	gold
bx	breccia
cr	crush
dsmd	disseminated
Femag	iron-magnesium bearing mineral
FeOx	iron oxides
fr	fracture
gg	gouge
irg	irregular
jar	jarosite
lim	limonite
loc	local
MnOx	manganese oxides
ppy	porphyry
py	pyrite
q	quartz
rhy	rhyolite
rk	rock
ser	sericite
Sid, Sin	silicified, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone
(++)	very much
(+)	much
(X)	some
(±)	little
tr	trace
(0)	none
ΔΔΔ	breccia
	vein quartz
	contact
	gouge, crush (faulting)
	mineralization (sulfides, lim)

LOG Site Blue Sphinx mine Location Mineral Co., Nevada Hole no. DDH-5 Page 2 of 2

Run depth ft	Core size	recovery feet	%	Ft	Rock description	Smpl no.	Analyses Au	oz Ag	Notes
				180'					Abbreviations & symbols (cont.)
187-197	NX	9.5	95		157-200' Pink, hard phenocrysts or inclusions(X) - jasper?, in Sid portions of core.	BSD-156	.003	.29	andesite, fresh
197-213		15.0	94	200'	195-299' Pink stain(Xloc) - hem? 270-299' Black patches(±)MnOx? 274' Py, fine-grained, on frs.	BSD-157	tr	.10	andesite, altered
213-224		10.0	91		275-280' Black patches, sooty, compact(±), some w/foils(locX)bronze sheen & curved cleavage, some in cream-colored	BSD-158	.013	.19	rhyolite, fresh
224-234		9.5	95		waxy mineral - clay w/adsorbed hem? 280-281' Sid, hard.	BSD-159	tr -.003	.14) .06)	rhyolite, altered
234-244		9.5	95		285-299' Black patches(X), most w/ fine-grained py(tr-X), loc in cream-colored mineral.	BSD-160	.006	.11	
244-254		9.5	95	250'		BSD-161	.002	nil	
254-264		9.5	95			BSD-162	.010	.53	
264-274		9.5	95			BSD-163	.009	.32	
274-284		9.5+	95+			BSD-164	tr	.32	
284-294		10.0	100			BSD-165	tr	.25	
294-299		4.8	96		Rhy ppy, alt, 299-324': Clay alt(Xloc); hard(+)Sin(locX);white alunite? & yellow	BSD-166	tr	.82	
299-309		9.5	95	300'	jar coatings on partings(X)increasing toward bottom;black patches(±) - inclusions?, w/fine-grained py(tr)loc in cream-colored	BSD-167	tr -.003	.06) .03)	
309+319		9.5	95		mineral(as from 285-299');rusty lim (loc tr)from py;fr & partings at 0°-15° to core	BSD-168	.005	.30	
319-324 Bottom		4.7	94		axis. 309' Inclusion, dark green, chloritized?, w/py dsmd(tr). 321-324' Green stain(X) - Fe sulfate?, & rusty lim from py(±).	BSD-169	tr	.30	
				350'					

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TELEPHONE (702) 323-8254

March 28, 1974

Mr. Harold K. Stager
Office of Minerals Exploration
U. S. Geological Survey
345 Middleford Road
Menlo Park, CA 94025

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Sincerely,

H. R. Cooke, Jr.

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MENLO PARK, CALIF.

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840 GREG STREET • SPARKS-RENO, NEVADA 89431 • PHONE: (702) 359-6311
RENO OFFICE

Certificate of Analysis

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Foreign Job No.:
Invoice No.: 8240

Date: March 26, 1974

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P. O. Box 2992
Reno, Nevada

Client Order No.: None

Report On: 3 pulps

Submitted by: Dick Cooke

Date Received: March 22, 1974

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Analytical Methods: Analysis is determined by atomic absorption.

Remarks: None

cc: Enclosed
RMGC
File

GMF:cj----------

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By Gary M. Fechko
Gary M. Fechko

Rocky Mountain Geochemical Corporation
Sparks, Nevada March 26, 1974

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[redacted]D DRILL HOLE LOG [redacted] Blue Sphinx mine, Location Mineral Co., Nevada Page [redacted]

[redacted] DDH-5 Alt. Coord. N E Bearing S45°W Incl. -60° Start Jan. 29, 1974

Finish Feb. 11, 1974 Depth 324' [redacted]gged by HRCooke Anal[redacted] Nevada Assay Office

Remarks; ~~xxxxxxxxxxxxxxxx~~ Wireline drilling; 4 AT fire assay charges; see below under Notes for abbreviations & symbols. Underlined assays: Rocky Mtn. Geochemical Corp., atomic absorption.

Run depth ft	Core recovery size	feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag
0- 13	rock bit	0	0		Overburden.			
13- 23	NX	10	100		Andt ppy, alt, weathered, 13-30': plagioclase phenocrysts alt to clays	BSD-137	.009	.18
23- 30		6.0	85		& ser;shattered, fr zs(Xirg);py(tr) w/ lmt coatings, py casts(X)w/ rusty lim, rusty lim(X-+)on seams & vlts, blk	BSD-138	.007	.08
30- 40		9.0	90		MnOx(±)on partings;green Fe sulfates (±)on partings.	BSD-139	tr	.20
40- 50		9.5	95		Andt ppy, alt, 30-67': plagioclase lathes alt to clays & ser, & honeycombed w/ py(loc+) & py casts, & lim pseudo-	BSD-140	.002	nil
50- 60		9.5+	95		morphs after py, & empty py casts (+ loc);Sid & hard(loc), q vlts(±)w/rusty & black	BSD-141	.043	.16
60- 67		7.0	100		lim cores; fr zs(Xirg);rusty lim(X) & blk MnOx(X) on partings.	BSD-142	.020	.35
					30-32' Py cubes dsmd(X)in unoxidized andt ppy.	BSD-143	.006	.41
67- 77		9.5	95		Andt ppy, alt, fr z, 67-94': mostly soft, friable, w/gg, bx(irg+)&rusty limstn(x) & box-	BSD-144	.007	.28
77- 87		9.5	95		works on vlts(±);jar(loc±)w/py casts;waxy			
87- 94		6.5	93		alunite? coatings on fr(locX).	BSD-145	tr	.17
					86-87' Wet, mucky.			
94-104		9.4	95		91-94' Py dsmd(X).	BSD-146	.010	.17
104-109		4.0	80		Andt ppy, alt, 94-109': Mostly hard, plagioclase lathes argillized & oxidized;Sin(locX);py dsmd (locX); gg&bx(locX);rusty lim vlts w/ gypsum(X).	BSD-147	.005	.20
109-119		6.0	60		107' Reddish phenocrysts or fragments(±) - jasper?	BSD-148	.004 -.003	.34 .09)
119-129		8.0	80		Andt ppy fr z, 109-157': mostly soft & broken; clay & ser alt(X);gg&bx, grey(+); v q or Sid fragments, rounded(milled?)(loc±)to 2";	BSD-149	tr	.47)
129-139		8.0	80		alunite? coatings(X)on partings & sh shears.	BSD-150	.008	.32
139-149		7.5	75		129' Q vlt, 6" thick.	BSD-151	.008	.28
					130-132' Several slickensides, black gg at 45° to core.			
149-157		6.0	75		Rhy ppy, alt, fr z, 157-299': Grey gg&bx(+), soft, plastic to friable;clay	BSD-152	nil	nil
157-167		7.5	75		alt(+);white alunite? on frs;q eyes (+)to .3"diameter;thin black gg(loc+); hard Sid&pyd fragments to 4"(locX)	BSD-153	.004	.15
167-177		7.5	75		rounded - milled?;py dsmd(±-X).	BSD-154	tr	.44

Notes

Abbreviations

Ag	silver
alt	alteration
andt	andesite
Au	gold
bx	breccia
cr	crush
dsmd	disseminated
Femag	iron-magnesium bearing mineral
FeOx	iron oxides
fr	fracture
gg	gouge
irg	irregular
jar	jarosite
lim	limonite
loc	local
MnOx	manganese oxides
ppy	porphyry
py	pyrite
q	quartz
rhy	rhyolite
rk	rock
ser	sericite
Sid, Sin	silicified, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone
(++)	very much
(+)	much
(X)	some
(±)	little
tr	trace
(0)	none

▲▲▲	breccia
═══	vein quartz
───	contact
═══	gouge, crush (faulting)
═══	mineralization (sulfides, lim)

Run depth ft	Core size	recovery feet	recovery %	Ft	Rock description	Sp no.	Analyses Au oz	Analyses Ag	Notes
				180'					Abbreviations & symbols (cont.)
187-197	NX	9.5	95		157-200' Pink, hard phenocrysts or inclusions(X) - jasper?, in Sid portions of core.	BSD-156	.003	.29	andesite, fresh
197-213		15.0	94	200'	195-299' Pink stain(Xloc) - hem? 270-299' Black patches(±)MnOx? 274' Py, fine-grained, on frs.	BSD-157	tr	.10	andesite, altered
213-224		10.0	91		275-280' Black patches, sooty, compact(±), some w/foils(locX)bronze sheen & curved cleavage, some in cream-colored	BSD-158	.013	.19	rhyolite, fresh
224-234		9.5	95		waxy mineral - clay w/adsorbed hem? 280-281' Sid, hard.	BSD-159	tr	.14) -.003 .06)	rhyolite, altered
234-244		9.5	95		285-299' Black patches(X), most w/ fine-grained py(tr-X), loc in cream-colored mineral.	BSD-160	.006	.11	
244-254		9.5	95	250'		BSD-161	.002	nil	
254-264		9.5	95			BSD-162	.010	.53	
264-274		9.5	95			BSD-163	.009	.32	
274-284		9.5+	95+			BSD-164	tr	.32	
284-294		10.0	100			BSD-165	tr	.25	
294-299		4.8	96		Rhy ppy, alt, 299-324': Clay alt(Xloc); hard(+)Sin(locX);white alunite? & yellow	BSD-166	tr	.82	
299-309		9.5	95	300'	jar coatings on partings(X)increasing toward bottom;black patches(±) - inclusions?, w/fine-grained py(tr)loc in cream-colored	BSD-167	tr	.06) -.003 .03)	
309+319		9.5	95		mineral(as from 285-299');rusty lim (loc tr)from py;fr & partings at 0°-15° to core	BSD-168	.005	.30	
319-324		4.7	94		axis. 309' Inclusion, dark green, chloritized?, w/py dsmd(tr). 321-324' Green stain(X) - Fe sulfate?, & rusty lim from py(±).	BSD-169	tr	.30	
Bottom									
				350'					

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

March 28, 1974

Mr. Harold K. Stager
Office of Minerals Exploration
U. S. Geological Survey
345 Middleford Road
Menlo Park, CA 94025

Re: Blue Sphinx, Inc., OME Docket No. 6886, Contract No. 2312

Dear Hal:

I'm enclosing copies of three check assays, along with the logs of DDH-5 on which they are posted.

I talked to Jim Kay, the driller, about cleaning up at the site. He said he would do this before he leaves for his next job, near Greenville, CA, early April. He wanted to collect his cement, core boxes, etc., too, of course.

I got a big manila envelop from the U.S. Fish & Wildlife Service in Ojai, CA, on the condor. I guess your brother must have requested this office to send me information. It's a big help. We'll check in with them when we go there in mid-April. Thanks for the lead.

Hope to see you again when you're up this way.

Sincerely,

H. R. Cooke, Jr.

RECEIVED
APR - 1 1974
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

ROCKY MOUNTAIN GEOCHEMICAL CORP.
840 GREG STREET • SPARKS-RENO, NEVADA 89431 • PHONE: (702) 359-6311
RENO OFFICE

Certificate of Analysis

RMGC Numbers:
Local Job No.: 74-7-19R
Foreign Job No.:
Invoice No.: 8240

Date: March 26, 1974

Client: Cooke-Everett & Associates
P. O. Box 2992
Reno, Nevada

Client Order No.: None

Report On: 3 pulps

Submitted by: Dick Cooke

Date Received: March 22, 1974

Analysis: Gold and Silver

Analytical Methods: Analysis is determined by atomic absorption.

Remarks: None

cc: Enclosed
RMGC
File

GMF:cj----------

BSD Series Sample No.	Oz/T Gold	Oz/T Silver
149	-0.003	0.09
159	-0.003	0.06
167	-0.003	0.03

By Gary M. Fechko
Gary M. Fechko

Rocky Mountain Geochemical Corporation
Sparks, Nevada March 26, 1974

All values are reported in parts per million unless specified otherwise. A minus sign (—) is to be read "less than" and a plus sign (+) "greater than." Values in parenthesis are estimates. This analytical report is the confidential property of the above mentioned client and for the protection of this client and ourselves we reserve the right to forbid publication or reproduction of this report or any part thereof without written permission.

ND = None Detected 1 ppm = 0.0001% 1 Troy oz./ton = 34.286 ppm 1 ppm = 0.0292 Troy oz./ton

[redacted]ND DRILL HOLE LOG #3 Blue Sphinx Mine Location Mineral Co., Nevada Page 1 of 1

[redacted] DDH-5 Alt. Coord. N E Bearing S45°W Inclin. -60° Start Jan. 29, 1974

Finish Feb. 11, 1974 Depth 324' [redacted]ogged by HRCooke Ana[redacted]y Nevada Assay Office

Remarks; ~~abbreviations & symbols~~ Wireline drilling; 4 AT fire assay charges; see below under Notes for abbreviations & symbols. Underlined assays: Rocky Mtn. Geochemical Corp., atomic absorption.

Run depth ft	Core size	recovery feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag
0- 13	rock bit	0	0		Overburden.			
13- 23	NX	10	100		Andt ppy, alt, weathered, 13-30: plagioclase phenocrysts alt to clays	BSD-137	.009	.18
23- 30		6.0	85		& ser;shattered, fr zs(Xirg);py(tr) w/ lmt coatings, py casts(X)w/ rusty lim, rusty lim(X-+)on seams & vlts, blk	BSD-138	.007	.08
30- 40		9.0	90		MnOx(±)on partings;green Fe sulfates (±)on partings.	BSD-139	tr	.20
40- 50		9.5	95		Andt ppy, alt, 30-67': plagioclase lathes alt to clays & ser, & honeycombed w/ py(loc+) & py casts, & lim pseudo-	BSD-140	.002	nil
50- 60		9.5+	95		morphs after py, & empty py casts (+ loc);Sid & hard(loc), q vlts(±)w/rusty & black	BSD-141	.043	.16
60- 67		7.0	100		lim cores; fr zs(Xirg);rusty lim(X) & blk MnOx(X) on partings.	BSD-142	.020	.35
67- 77		9.5	95		30-32' Py cubes dsmd(X)in unoxidized andt ppy.	BSD-143	.006	.41
77- 87		9.5	95		Andt ppy, alt, fr z, 67-94': mostly soft, friable, w/gg, bx(irg+)&rusty limstn(x) & box- works on vlts(±);jar(loc±)w/py casts;waxy	BSD-144	.007	.28
87- 94		6.5	93		alunite? coatings on fr(locX). 86-87' Wet, mucky.	BSD-145	tr	.17
94-104		9.4	95		91-94' Py dsmd(X).	BSD-146	.010	.17
104-109		4.0	80		Andt ppy, alt, 94-109': Mostly hard, plagioclase lathes argillized & oxidized;Sin(locX);py dsmd (locX); gg&bx(locX);rusty lim vlts w/ gypsum(X).	BSD-147	.005	.20
109-119		6.0	60		107' Reddish phenocrysts or fragments(±) - jasper?	BSD-148	.004 -.003	.34 .09)
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129-139		8.0	80		alunite? coatings(X)on partings & sh shears.	BSD-150	.008	.32
139-149		7.5	75		129' Q vlt, 6" thick. 130-132'. Several slickensides, in black gg at 45° to core.	BSD-151	.008	.28
149-157		6.0	75		Rhy ppy, alt, fr z, 157-299': Grey gg&bx(+), soft, plastic to friable;clay	BSD-152	nil	nil
157-167		7.5	75		alt(+);white alunite? on frs;q eyes (+)to .3"diameter;thin black gg(loc+); hard Sid&pyd fragments to 4"(locX)	BSD-153	.004	.15
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Notes

Abbreviations

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Au	gold
bx	breccia
cr	crush
dsmd	disseminated
Femag	iron-magnesium bearing mineral
FeOx	iron oxides
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gg	gouge
irg	irregular
jar	jarosite
lim	limonite
loc	local
MnOx	manganese oxides
ppy	porphyry
py	pyrite
q	quartz
rhy	rhyolite
rk	rock
ser	sericite
Sid, Sin	silicified, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone
(++)	very much
(+)	much
(X)	some
(±)	little
tr	trace
(0)	none
	breccia
	vein quartz
	contact
	gouge, crush (faulting)
	mineralization (sulfides, lim)

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234-244		9.5	95		285-299' Black patches(X), most w/ fine-grained py(tr-X), loc in cream-colored mineral.	BSD-160	.006	.11	
244-254		9.5	95	250'		BSD-161	.002	nil.	
254-264		9.5	95			BSD-162	.010	.53	
264-274		9.5	95			BSD-163	.009	.32	
274-284		9.5+	95+			BSD-164	tr	.32	
284-294		10.0	100			BSD-165	tr	.25	
294-299		4.8	96		Rhy ppy, alt, 299-324': Clay alt(Xloc); hard(+)Sin(locX);white alunite? & yellow	BSD-166	tr	.82	
299-309		9.5	95	300'	jar coatings on partings(X)increasing toward bottom;black patches(±) - inclusions?, w/fine-grained py(tr)loc in cream-colored	BSD-167	tr -.003	.06) .03)	
309+319		9.5	95		mineral(as from 285-299');rusty lim (loc tr)from py;fr & partings at 0°-15° to core	BSD-168	.005	.30	
319-324 Bottom		4.7	94		axis. 309' Inclusion, dark green, chloritized?, w/py dsmd(tr). 321-324' Green stain(X) - Fe sulfate?, & rusty lim from py(±).	BSD-169	tr	.30	
				350'					

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

March 22, 1974

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 25 1974
INITIALS | CODE
HK

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Enclosed are the final voucher and Operator's Final Report for the subject contract. Also attached is a request from the Operator to allow small amounts of excess funds from core drilling, lost casing, etc., and from assaying to be utilized to offset overages incurred for drilling additives and supervision. I recommend that the request be approved.

The Operator's Final Report is satisfactory and I recommend that it be accepted. On approval and payment of this last voucher a final cost review should be requested. Because of the overall low gold and silver content of the material cored and assayed, and the widely scattered occurrences of marginal grade material, certification is not recommended.

H. K. Stager

Enclosures

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

March 22, 1974

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 25 1974
INITIALS | CODE
HR | HK

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Final Inspection

A final inspection of the subject project was made on March 14, 1974, by the Field Officer accompanied by Mr. Richard R. Cooke, consulting geologist and field supervisor for the Operator.

Complete cores for all five holes, representing 1,501 feet of drilling, are stored at Mr. Cooke's office in Reno and were examined there together with the logs and assay results. The hole sites were examined at the Blue Sphinx Mine and Mr. Cooke was directed to see that the drilling contractor complete the cleanup of the drilling area, including the removal of empty fuel drums, excess drilling additives, core boxes, and miscellaneous pieces of equipment. In general, the drilling area has been adequately cleaned up, with a few minor exceptions that Mr. Cooke promised to correct before terminating his work in the area.

The final voucher and Operator's Final Report were received on March 22, 1974. A final cost review should be requested. Certification is not recommended. A final field report will be prepared.

H. K. Stager

HK 7/27/74
Rcvd 3/6
To HK

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER For Month of January, 1974

Docket No. OME- 6886
Contract 14-08-0001- 2312
Contract Amount $20,000.00
Gov't. Participation %75 $ 15,000.00

Operator's Name Blue Sphinx, Inc.
Address Oregon Bank, Midland Branch, P.O.Box 16146
Portland, OR 97233

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
ACTUAL COSTS		$		$		$		$
Bulldozing	---	---	job	260.00	0	0	MAX.	260.00
Core drilling								
DDH-3, NX, $9/ft	241'	2,169.00						
DDH-4, " "	345'	3,105.00						
Total:	586'	5,274.00	1,177'	10,542.00	586'	5,274.00	1,177'	10,542.00
Core drilling additives	---	---	job	200.00	0	0	MAX.	200.00
Core boxes	60	70.84	124	148.80	60	70.84	124	148.80
FIXED UNITS COSTS								
Supervisor	1 mo.	368.00	2 mo.	2,000.00	1 Mo.	368.00	MAX.	2,000.00
Consulting geologist	2 days	230.00	9 days	1,035.00	2 DAYS	230.00	9 DAYS	1,035.00
Consultant's per diem	2 days	50.00	9 days	225.00	2 DAYS	50.00	9 DAYS	225.00
Consultant's travel	548 mi.	17.80	1,000 mi.	100.00	548 mi.	17.80	MAX.	100.00
Fire assay	70	840.00	97	1,164.00	70	840.00	97	1,164.00
Office expenses	1 mo.	100.00	2 mo.+ 19 days	263.00	1 Mo.	100.00	2 MO.+ 19 DAYS	263.00
TOTALS		$6,950.64		$15,937.80		$6,950.64		$15,937.80

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Feb. 13, 1974 *Payee Blue Sphinx, Inc.

Per H. R. Cooke, Jr. Title Field supervisor

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 2-19-74

(63) 14X0804

Approved for: $ 5,212.98
(SUBJECT TO AUDIT)

Signature [illegible]

Date MAR 5 1974 Voucher No. R4177A 1

(SEE OTHER SIDE)

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

February 13, 1974

Mr. Harold K. Stager
Office of Minerals Exploration
U.S. Geological Survey
345 Middleford Road
Menlo Park, CA 94025

Dear Hal:

Re: Blue Sphinx, Inc.
OME Docket No. 6886, Contract No. 2312

I'm enclosing the January 1974 invoice, bills and report for the Blue Sphinx job. I hope that the mistakes you mentioned in my earlier reports are now corrected, and that there are no more.

Jim Kay phoned that the last hole, DDH-5, was bottomed at 324 ft, on Feb. 11. This makes 1,501 ft of drilling - fairly close to our 1,500-ft proposal! I'll get the core within a few days, and process it.

Blue Sphinx phoned that they received their OME check for December a few days ago.

When you want to look the battleground over, let me know, and I'll plan on going out with you.

Sincerely,

Dick

H. R. Cooke, Jr.

P.S. I am enclosing uncolored copies of the logs of DDH-1 and DDH-2, for which colored copies were sent in my December report; the present uncolored copies have additional assays.

Dick

RECEIVED
FEB 19 1974
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

KAY-WAY DRILLING CO. INC.

702-463-3379
750 RIVER ROAD
YERINGTON, NEVADA 89447

February 1, 1974

Cooke, Everett & Associates, Inc.
P. O. Box 2992
Reno, Nevada 89505

Invoice for drilling on Blue Sphinx Property Jan. 1, 1974 thru Jan. 31, 197

Hole # 3

$9.00 per foot drilled	1 foot to 241 feet		$2,169.00
Lumnite	1 sack		16.00
Mud Jell	6 sacks	1.77 ea	10.62
core boxes	25	1.25 ea.	36.25
		Tax	2.20
			$2,233.07

Hole # 4

$9.00 per foot drilled	1 foot to 345 feet		$3,105.00
Core boxes	35	1.25 ea.	43.75
Collex	1 sack	67.76 ea.	67.76
Dextrid	1 sack	26.69 ea.	26.69
Mud Jell	5 sack	1.77 ea.	8.85
Lumnite	1 sack		16.00

Hole # 5

Lumnite	1 sack		16.00
		Tax	6.26
			$32 90.31

Total for January $5,523.38

Jan. 17, 1974

Hand Sample Serial 113152

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 31	Tr	.005									
32	0	.310									
33	.164	.635									
34	Tr	0									
35	Tr	.263									
36	Tr	.220									
37	0	.085									
38	0	.255									
39	.006	.926									
40	.105	3.312									
41	.008	.296									
42	.003	.173									
43	.002	.945									
44	Tr	.030									
45	0	.030									
46	Tr	.030									
47	Tr	.181									

Remarks samples run with 4 AT each

Charges $

William F. Sopley

Jan. 17, 1974

Hand Sample Serial 113152

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 48	0	.234									
49	Tr	.132									
50	Tr	.215									
53	Tr	.725									

Remarks

Charges $

William F. Sopley

January 25, 1974 **Hand Sample Serial** 113158

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 56	.100	0									
59	.061	.11									
62	.008	.29									
70	.031	.27									
71	.005	.36									
72	.146	.13									
73	.046	.24									
74	Tr	.31									
75	.105	0									
76	.003	.30									
77	Tr	.025									
78	.004	.30									
79	.047	.13									
80	.034	.03									
81	0	.25									
82	.049	.22									
83	.103	.03									

Remarks

Charges $

January 25, 1974 **Hand Sample Serial** 113158

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 84	.010	.08									
85	.034	.33									
86	0	.42									
87	.080	.11									
88	.050	.54									
91	.045	0									

Remarks

Charges $

Feb. 8, 1974

Hand Sample Serial 113164

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 200	0	1.60									
101	0	.29									
102	0	.15									
103	0	.37									
104	0	.19									
105	.007	.05									
106	.008	.17									
107	.064	.22									
108	.097	.23									
109	.007	.09									
110	.008	.27									
111	.055	.11									
112	.074	.09									
113	.016	.16									
114	.007	.51									
115	.052	.27									
116	.046	.41									

Remarks

Charges $

William F. Sopley

Feb. 8, 1974

Hand Sample Serial 113164

Mine Cooke Everett and Assoc.

Reno, Nevada

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

RESULTS PER TON OF 2000 POUNDS

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD 117	.002	.40									
118	.006	.08									
119	.009	.18									
120	Tr	.07									
121	.230	0									
122	.008	.19									
123	---	---									
124	0	.33									
127	.008	.38									
128	.005	.16									

Remarks samples run on 4 A_t basis

Charges $

William F. Sopley

COOKE, EVERETT & ASSOCIATES, INC.

DIAMOND DRILL HOLE LOG Site Blue Sphinx mine Location Mineral Co., NV

Hole no. DDH-1 Alt. ____ Coord. N ____ E ____ Bearing S45°W Inclin. -45 Started Nov. 12, 1973

Finished Dec. 8, 1973 Logged by HRCooke, DKJordt Anal. by NV Assay Of

Remarks; abbreviations & symbols: Wireline drilling, assays by 4-Assay Ton fire assay, NV Assay Of.

Andt - andesite, rhy - rhyolite, alt - altered; Sid - silicified; z - zone; loc - local(ly); v - vein; q - quartz (over)

Run depth ft	Core recovery size	ft	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag	Notes	
0- 5	NX	0	0	0	----					
5- 20		7	54	10	Andt & rhy, fresh to altered; old fill or slope rubble?					
20- 30		9.5	95	20	Andesite, altered: much soft, brown Fe-stained gouge, crush, breccia; local hard andt dikes & Sid z.s; loc much kaolinite, alunite?; loc black MnOx,	BDS-1	.005	.754		
30- 40		9.5	95	30	brown FeOx, ylw-green Fe sul--fate stain on partings(20-126 ft)	BSD-2	.009	.184		
40- 50		9.7	97	40		BSD-3	.008	.192		
50- 60		9.6	96	50	48-52' Andt dike? hard, little alt. 56' 6" Sid z; v.q.?	BSD-4	.004	.395		
60- 70		9.7	97	60	64-66' Gouge & crush	BSD-5	.006	.322		
70- 80		9.8	98	70		BSD-6	.005	.420		
80- 90		9.5	95	80		BSD-7	.005	.630		
90-100		9.9	99	90	85' Hornblende dike, 6" 87-89' Gouge	BSD-8	.004	.535		
100-110		9.8	98	100	96-98' Andt dike, hard 100-104' Hard, silicified z. 104-107' Much MnOx	BSD-9	nil	.33	AA, Rocky Mtn Geochem Corp. Au >.003	Ag .09
110-120'		9.7	97	110	114' Gypsum	BSD-10	tr	.22	.003	.09
120-130		9.2	92	120	119-125' Blue-green gg, py, gypsum, rounded cr, pebbles	BSD-11	.002	.72	>.003	.06
130-140		9.3	93	130	125-126' Gg, red, sticky Rhy, alt, lt-gray, quartz eyes to 1/4"(+), loc biotite, dsmd py (126-154').	BSD-12	nil	.28	>.003	.06
140-150		9.6	96	140	126-142' Gg & cr, grey 146-151' Sid, dsmd py	BSD-13	tr	.38		
150-160		9.4	94	150	151-154' Granulated, kaolinized, sheared, FeOx, MnOx	BSD-14	tr	.58		
160-170		9.7	97	160	Rhy, ±fresh, q eyes, loc biotite, aphanitic ground-mass, dark inclusions loc), py crystals	BSD-15	nil	.87		
170-180		9.7	97	170	dsmd to 1 mm dm, ±2% of rk volume; loc gg & cr zs; py or limonitized partings w/loc actinolite (154-300').					

gg - gouge, crush (faulting)

andt, fresh thy fresh

" , alt " , alt

(++)	very much
(+)	much
(X)	some
(±)	little
(tr)	traces
(0)	none

gg	gouge
cr	crush
bx	breccia
py	pyrite
Au	gold
Ag	silver
dsmd	disseminated
rk	rock
w/	with
FeOx	iron oxide (limonite)
MnOx	manganese oxide

fr	fracture
smpl	sample
Tr	mineralization (rein quartz, sulfide, limonite,)
—	fault (gouge, breccia, crush, shattering, etc)

DDH LOG Site Blue Sphinx mine Location Mineral Co., NV Hole no. DDH-1 Page 2
DDH-1

depth ft	size	feet	%	Ft	Rock description	Smpl. no.	Analyses Au oz	Ag	Notes
170-180	NX	9.7	97	170		BSD-16	nil	.87	
					174-181' Gg & cr, grey				
180-190		9.6	96	180		BSD-17	nil	nil	
	NX 198				191-195' Gg & cr, green-stained partings - Fe sulfate?				
190-200	BX	9.3	93	190		BSD-18	tr	.20	
200-210		9.2	92	200		BSD-19	.003	.18	
210-220		9.2	92			BSD-20	nil	.31	
					214-216' Gg, brown Fe stain				
220-230		9.0	90			BSD-21	nil	.54	
230-250		15.0	75		228-229' Gg & cr, gypsum, FeOx	BSD-22	.003	.32	234.5-243' core recovery 4.5'
					230-246' Gg & cr, sticky & Fe-stained, in alt soft rhy.				
250-260		9.3	93	250		BSD-23	nil	.34	
260-270		9.8	98			BSD-24	tr	.62	
270-280		9.9	99			BSD-25	tr	.10	
280-290		10.0	100		285-286' Frs w/green (Fe sulfate ?) & FeOx	BSD-26	.004	.28	
290-300		9.8	98		296-298' Shear w/FeOx, 10° to core axis	BSD-27	tr	.27	
Bottom: 300'				300					
				350					

Note: DDH-2 colored log sent w/Dec. 1973 report; complete assays given here

DRILL LOG Site Blue Sphinx mine Location Bovard dist., Mineral Co., Nev. Page 1 of 2

Hole no. DDH-2 Alt. ____ Coord. N ____ E ____ Bearing S35W Inclin. -45 Start Dec. 15, 1973

Finish Dec. 31, 1973 Depth 291' Logged by JPRogowsky, HRCooke Anal. by Nevada Assay Office

Remarks; abbreviations & symbols: Wireline drilling; assays by 4 assay ton charge. Ag - silver, alt - alteration, andt - andesite, Au - gold, bx - breccia, cr - crush, - dsmd - disseminated, FeOx - iron oxides, fr - fracture, frgt - fragment, gg - gouge, jar - jarosite, loc - local, MnOx - manganese oxides (over)

Run depth ft	Core size	recovery feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag	Notes
0- 20	rock bit	0	0		Overburden				
20- 30	NX	9.5	95		20-82': Andesite, altered: - Bleached, soft, alt(X-+) to clays, sericite?, alun- -ite?; many irregular fr & joints coated	BSD-31	tr	.005	
30- 40		8.5	85		w/FeOx & MnOx. A few hairline q vlts w/py casts. Py casts(±) in ground-mass.	BSD-32	nil	.310	
40- 50		9.0	90		23.5' Bx vlt 3/4".	BSD-33	.164	.365	
					26 Gg 5", FeOx-stained.				
50- 60		9.0	90		30-35 Bx & gg; at 32', 2" gray putty gg; bx frgts Sid; FeOx on fr & joints.	BSD-34	tr	nil	
60- 70		9.0	90		44.5-49 Bx & gg, jarosite & FeOx-stained.	BSD-35	tr	.263	
70- 80		9.5	95		(50-57 Bxd, frgts to 6", several putty (59-65 gouges.	BSD-36	tr	.220	
					68-82 Andt alt (tr-+).				
80- 90		9.5	95		74+ Iridiescent MnOx	BSD-37	nil	.085	
90-100		9.0	90		82-153' Andesite, faulted, bxd, alt, veined: clay, sericite?, alunite?, loc chlorite & Si alt. Gg & cr(+), bx frgts to 2" dm stained by FeOx, MnOx, gyp- -sum, jarosite; FeOx on partings. Loc dsmd py & dark sulfide -tennantite?	BSD-38	0	.255	
100-110		9.5	95		Loc v q frgts w/py & gray sulfides.	BSD-39	.006	.926	
110-117		6.7	95		86' Boxwork from sulfides.	BSD-40	.105	3.312	
117-120		2.7	90		87-88 MnOx, nodular?; FeOx & jarosite.	BSD-41	.008	.296	
					117-120 Dsmd py 5%+ of volume & gray sulfide (tennantite?) -				
120-125		4.8	95		high reflectivity, As smell on fresh breaks.	BSD-42	.003	.173	
					106, 107 Gg, thin, white, punky				
125-128		2.9	95		120-125 Py dsmd(±), v q frgts, stockworks in andt.	BSD-43	.002	.945	
128-134		5.4	90		125-128 Gg, gray, putty-like, bx frgts to 3/4".	BSD-44	tr	.030	
134-140		5.4	90		134-145 Andt, gg & bx w/q frgts, py	BSD-45	nil	.030	
140-145		4.8	95		(X)	BSD-46	tr	.030	
145-151		5.4	90		145-153 Andt & rhy frgts mixed; q frgts up to 50%; gg & bx, FeOx,	BSD-47	tr	.181	
151-155		3.6	90		jarosite, MnOx vlts; clay, ser-	BSD-48	0	.234	
155-164		8.4	95						

py	pyrite
q	quartz
rhy	rhyolite
rk	rock
Sid, Sin	silicificied, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone

(++)	very much
(+)	much
(X)	some
(±)	little
(tr)	traces
(0)	none
	breccia
	vein quartz
	contact

	gouge, crush (faulting)
	mineralization (sulfid Fe()x from sulfides)
	andesite, fresh
	andesite, altered
	rhyolite, fresh
	rhyolite, altered

DDH LOG Site Blue Sphinx mine Location Mineral Co., Nevada Hole no. DDH-2 Page 2 of 2

Run depth ft	Core size	recovery feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag	Notes
175-185	NX	9.5	160' 95		153-175 Rhyolite porphyry, altered: q phenocrysts(X-+); dsmd py; Sid(+), broken (+) w/a few thin gg; FeOx & jarosite(x).	BSD-51			
185-195		9.5	95			BSD-52			
195-205		9.5	95 200'		153-164 Py dsmd 3%± by volume; FeOx on partings.	BSD-53	tr	.725	
205-215		9.0	90		164-175 Rhy, hard, solid; Chlorite (tr) on fr; FeOx less.	BSD-54			
215-225		9.5	95		175-291 Rhy porphyry: q phenocyrsts; chlorite-epidote on some partings; py dsmd(±); FeOx (±) on fr; loc gg & bx z. Py & alt generally less w/depth to nearly fresh rhy at bottom of hole.	BSD-55			
225-235		9.8	98			BSD-56	.100	nil	
235-245		9.7	97		205-215 Sericite & clay alt(X); FeOx & MnOx(±) on fr; fine-grained dsmd py(+);	BSD-57			
					206 Monzonite(?) inclusion, alt(+).				
245-255		9.5	95 250'		225-235 Sericitization(X); py, v/fine-grained, cubic(locX).	BSD-58			
255-265		9.8	98			BSD-59	.061	.11	
265-275		9.5	95			BSD-60			
275-285		9.8	98			BSD-61			
285-291		5.7	95			BSD-62	.008	.29	

Bottom - 291 ft

300'

350'

HK 1/18/74

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICE OF THE CO. O. K. E. RECEIVED 4 1974 INITIAL REVIEW HK

OPERATOR'S MONTHLY VOUCHER

For Month of December, 1973

Docket No. OME- 6886
Contract 14-08-0001 2312
Contract Amount $ 20,000.00
Gov't. Participation % 15,000.00

Operator's Name: Blue Sphinx, Inc.
Address: Oregon Bank, Midland Branch, P.O.Box 16146
Portland, OR 97233

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
ACTUAL COSTS		$		$		$		$
Core drilling additives			job	200.00	0	0	MAX.	200.00
DDH-1, NX, $9/ft	75'	675.00						
" BX, $8.50/ft	102'	867.00						
DDH-2, NX, $9/ft	291'	2,619.00						
Total drilling:	468'	4,161.00	591'	5,268.00	468'	4,161.00	591'	5,268.00
Core boxes, $1.25 each	52	65.00	63	77.96	52	65.00	63	77.96
Bulldozing			job	260.00	0	0	MAX.	260.00
FIXED UNIT COSTS								
Supervisor, $1,000/mo.	1 mo.	1,000.000	1 mo. +19 days	1,632.00	1 Mo.	1,000.00	1 Mo. & 19 DAYS	1,632.00
Consulting geologist, $115/day	4 days	460.00	7 days	805.00	4 DAYS	460.00	7 DAYS	805.00
Consultant's per diem, $25/day	4 days	100.00	7 days	175.00	4 DAYS	100.00	7 DAYS	175.00
Consultant's travel, $0.10/mile	548 mi.	54.80	822 mi.	82.20	548 MI.	54.80	822 MI.	82.20
Fire assay, $12/sample	27 as.	324.00	27 as.	324.00	27	324.00	27	324.00
Office expense, $100/mo.	1 mo.	100.00	1 mo. +19 days	163.00	1 Mo.	100.00	1 Mo. & 19 DAYS	163.00
TOTALS		$ 6,264.80		$ 8,987.16		$ 6,264.80		$ 8,987.16

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Jan. 12, 1974 *Payee Blue Sphinx, Inc.

Per H. R. Cooke, Jr. Title Field Supervisor

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 1-16-74

(63) 14X0804

Approved for: $ 4,698.60 (SUBJECT TO AUDIT)

Signature [illegible]

Date 1 FEB 1974 Vou. No. 04971 A

(SEE OTHER SIDE)

365844

RECEIVED
U.S. GEOLOGICAL SURVEY

JAN 24 10 06 AM '74

BUDGET & FINANCE

1) Include and approve BX drilling (102' @ $8.50/ft). Amendment No. 1, dated Jan. 17, 1974, signed by the Government and sent to Operator for signature, adds BX drilling @ $8.50/ft to contract.

H. Kirkamo
11/8/74

KAY-WAY DRILLING CO. INC.

702-463-3379
~~151 4th Ave.~~
~~150 RIVER ROAD~~
YERINGTON, NEVADA 89447

January 1, 1974

Cooke, Everett & Associates, Inc.
P. O. Box 2992
Reno, Nevada 89505

Invoice for drilling 12-1-73 thru 12-31-73 on the Blue Sphinx Property

Hole # 1

$9.00 per foot drilled		123 to 198 feet	$675.00
$8.50 per foot drilled BX		198 to 300 feet	867.00
Mud additives and core boxes at cost			
Con Det	5 gallons		22.83
Aquajel	1 sack		3.54
Quick Ben	11 sacks	$3.00 each	33.00
Core Boxes	22	$1.25 each	27.50
		Tax	3.14
			$1,632.01

Hole # 2

$9.00 per foot drilled		0 to 291 feet	$2,619.00
Mud Jell	19 sacks	$1.77 each	33.63
Aquajel	1 sack		3.54
Cellex	1 sack		67.76
Dextrid	1 sack		26.69
Lumnite	1 sack		16.00
Deisel Fuel	50 gallons		12.50
Marking Blocks			5.00
Core Boxes	30	$1.25	37.50
		Tax	7.11
			$2,828.73

Dec. 21, 1973 Hand Sample Serial 114017

Mine Cooke Evert and Assoc.

Reno, Nevada

RESULTS PER TON OF 2000 POUNDS

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD # 9	0	.33									
10	T	.22									
11	.002	.72									
12	0	.28									
13	Tr	.38									
14	Tr	.58									
15	0	.87									
16	0	.87									
17	0	0									
18	Tr	.20									
19	.003	.18									
20	0	.31									
21	0	.54									
22	.003	.32									
23	0	.34									
24	Tr	.62									
25	Tr	.10									
26	.004	.28									
27	Tr	.27									

Remarks Assays run on a 4 AT basis

Charges $

William R. Sopley

Dec. 13, 1973 Hand Sample Serial 114011

Mine Cooke Evert and Assoc.

Reno, Nevada

RESULTS PER TON OF 2000 POUNDS

Nevada Assay Office
5800 RENO HIGHWAY
FALLON, NEVADA 89406
Telephone 867-3678

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	TUNGSTEN Per Cent	ZINC Per Cent	ANTIMONY Per Cent	IRON Per Cent	CaF2 Per Cent	Per Cent	Per Cent
BSD # 1	.005	.754									
2	.009	.184									
3	.008	.192									
4	.004	.395									
5	.006	.322									
6	.005	.420									
7	.005	.630									
8	.004	.535									

Remarks each assay run as 4AT units

Charges $

William R. Sopley

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

January 28, 1974

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 31 1974
INITIALS | CODE
HK

Memorandum

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

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Interim Inspection

While in Reno, Nevada, on January 25, 1974, an inspection was made of the drill cores from the subject project at the office of Mr. Richard R. Cooke, consulting geologist and field supervisor for the Operator.

Complete cores for Holes Nos. 1, 2, and 3, and 219 feet of core from Hole No. 4 were examined. Assays of samples from Holes Nos. 1 and 2 were available for study and were compared with the splits of the cores in storage. No assays were yet available for Holes Nos. 3 and 4.

The assays of samples from Hole No. 1, that was drilled to a total depth of 300 feet, were disappointing, as the gold content ranged from a trace to 0.009 ounce of gold and 0.10 to 0.87 ounce of silver per ton. Hole No. 2, drilled to a total depth of 291 feet, yielded assays of 0.164 ounce of gold and 0.365 ounce of silver from 40 to 50 feet, and 0.105 ounce of gold and 3.312 ounces of silver from 110 to 117 feet. Hole No. 3 was bottomed at 241 feet and the altered and fractured andesite of the hanging wall of the Bovard fault zone appears to be favorable for gold and silver mineralization. Assays of samples from Hole No. 3 are expected by the end of January. Hole No. 4 was probably completed on January 25 or 26 and the drill moved to the last hole (No. 5).

Drilling on the project will probably be completed during the first week of February. A final field examination on the project site is planned for late February to give the drill contractor time to clean up the drill sites and the consulting geologist time to log and split the remaining cores and obtain assays.

H. K. Stager

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

January 28, 1974

OFFICIAL
COPY
O. M. E.
RECEIVED
JAN 31 1974
INITIALS | CODE
HK

Memorandum

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

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Enclosed are the Government's copy and Branch of Financial Management's copy of Amendment No. 1 to the subject contract properly executed by the Operator. The other copies have been distributed in the usual manner.

H. K. Stager

Enclosures

HK

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

January 21, 1974

Mr. William B. Murray
1606 Standard Plaza Building
Portland, Oregon 97204

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Dear Mr. Murray:

Enclosed are the original and three copies of proposed Amendment No. 1 (one page) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to Blue Sphinx, Inc., all four copies should be signed by an authorized representative of the Operator and the Government's copy, Branch of Financial Management's copy, and Field Office's copy returned to this office. The Operator's copy should be retained for the Operator's files.

Should any part of the proposed amendment not have the Operator's approval, please return all copies to this office with the proposed changes.

If you have any questions, please call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

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

HKStager:mkh

Enclosures

HK

GEOLOGICAL SURVEY
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

January 17, 1974

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Enclosed are the original and three copies of proposed Amendment No. 1 (one page) to the subject contract, signed for the Government. An extra copy is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed as usual.

Should any part of the proposed amendment not have your approval or that of the Operator, please return all copies to this office with the proposed changes.

Harold Kirkemo

Enclosures

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

HKirkemo/gpw

Form 7
63)

INTERIOR DEPT.
82428.3122
JAN 14 1974
SOLICITOR'S
DOCKET

OFFICIAL FILE COPY

Date	Surname	Code

January 11, 1974

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Justification for Amendment No. 1

On December 13, 1973, the Operator in a letter to the Field Officer, OME Region II, requested that the contract be amended to authorize BX core drilling with BX standard or wire line size equipment in addition to the NX core drilling presently authorized. Resorting to the smaller size BX drilling was necessary to complete the first hole drilled on the contract because of fractured rock and bad drilling conditions. The BX equipment enabled satisfactory completion of the hole with acceptable (+90%) core recovery. The drilling contractor agreed to drill BX size at $8.50 per foot.

The Field Officer, OME Region II, recommended approval of the request to authorize BX drilling and I concur in the recommendation. The opportunity to use the smaller drill equipment will help to ensure satisfactory completion of the drilling, and at less total cost to the Government than originally planned.

Harold Kirkemo

Harold Kirkemo

cc:
DRF
MR Rdg.
OME Rdg.
Mr. Kirkemo

HKirkemo/gpw

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

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DEC 18 1973

INITIALS	CODE
HR	

December 14, 1973

Memorandum

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

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Enclosed is a request from the Operator for an amendment to the subject contract to allow a reduction in core size from NX to BX where necessary to complete a drill hole. The drilling contractor agrees to reduce the cost from $9.00 to $8.50 per foot when drilling BX.

Experience gained on Hole No. 1, that was drilled BX from 198 to the bottom at 300 feet, indicates that the core recovery does not drop with the smaller core size as the recovery was over 90 percent for both NX and BX.

I recommend that the request be approved and an amendment be prepared to allow the change.

H. K. Stager

Enclosures

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

December 13, 1973

Mr. Harold K. Stager
Office of Minerals Exploration
U. S. Geological Survey
345 Middleford Road
Menlo Park, CA 94025

Dear Mr. Stager:

Ref.: Docket No. OME-6886,
Contract No. 2312.

We would like to request an amendment to the Exploration Contract made through OME with Blue Sphinx, Inc., to include under Actual Costs, Core drilling for BX standard or wireline at $8.50 per foot.

The reason for this request is that the driller, Kay-Way Drilling Co., met very broken and sticky ground in the first hole, DDH-1, at 198 ft depth, and could not find any way of deepening the hole to the target depth, 300 ft, without casing and reducing core size to BX. He did this, and got over 90% core recovery, BX-size, from 198 to 300 ft, where the hole was bottomed.

The zone being drilled is along the Bovard fault and Blue Sphinx vein, regional structures with much ancillary fracturing, alteration, brecciation and mineralization. It is therefore possible that it may be necessary again to reduce from NX to BX in some of the drilling in the remaining four holes programmed in this contract. However, core recovery has been over 90% for the entire 300 ft of the first hole, both NX and BX, and we expect similarly good samples from continuing drilling, both NX and BX.

The driller has agreed to amend his contract with Blue Sphinx to include BX drilling at $8.50 per foot, as indicated in his statement enclosed.

Sincerely,

H. R. Cooke, Jr.

Encl.; Kay-Way statement

cc: Blue Sphinx, Inc.

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DEC 14 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

KAY-WAY DRILLING CO. INC.
702-463-3379
750 RIVER ROAD
YERINGTON, NEVADA 89447
December 10, 1973

Cooke, Everett & Associates, Inc.
P. O. Box 2992
Reno, Nevada

Dear Mr. Cooke:

Amendment to contract for Blue Sphinx job
from $9.00 per foot NX drilling
to $8.50 per foot for BX drilling is approved by Kay-Way Drilling Co., Inc.

James R. Kay

James R. Kay, Pres.

MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

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OPERATOR'S MONTHLY VOUCHER

For Month of November, 1973

Docket No. OME- 6886
Contract 14-08-0001- 2312
Contract Amount $20,000.00
Gov't. Participation % 75 $15,000.00

Operator's Name: Blue Sphinx, Inc.
Address: Oregon Bank, Midland Branch, P.O.Box 16146
Portland, Oregon 97233

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
ACTUAL COSTS								
Mobilization & demob-ilization of bulldozer	job	$ 100.00	job	$ 100.00	Job	$ 100.00	Job	$ 100.00
Bulldozing roads & sites	8 hrs.	160.00	8 hrs.	160.00	8 HRS	160.00	8 HRS	160.00
Core drilling	123'	1,107.00	123'	1,107.00	123'	1,107.00	123'	1,107.00
Drilling additives	job	200.00	job	200.00	MAX.	200.00	MAX.	200.00
Core boxes	12	12.96	12	12.96	12	12.96	12	12.96
FIXED UNIT COSTS								
Supervisor	19 days	632.00	19 days	632.00	19 DAYS	632.00	19 DAYS	632.00
Consulting geologist	3 "	345.00	3 "	345.00	3 DAYS	345.00	3 DAYS	345.00
Consultant's per diem	3 "	75.00	3 "	75.00	3 DAYS	75.00	3 DAYS	75.00
Consultant's travel	274 mi.	27.40	274 mi.	27.40	274 MI.	27.40	274 MI.	27.40
Assaying	No results or billing received yet				0	0	0	0
Office expenses	19 days	63.00	19 days	63.00	19 DAYS	63.00	19 DAYS	63.00
TOTALS		$ 2,722.36		$ 2,722.36		$ 2,722.36		$ 2,722.36

I certify that the above bill is correct and just and that payment therefor has not been received.

Date December 7, 1973 *Payee Blue Sphinx, Inc.

Per H. R. Cooke, Jr. Title Field Supervisor

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U. S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature [illegible] OME Field Officer Date 12-11-73

(63)14X0804

Approved for: $ 2,041.77
(SUBJECT TO AUDIT)

Signature BM7

Date 20 DEC 1973 Vou. No. 04785A

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS 1973 November

9 Work starts with drilling contractor, Jim Kay, bull--dozing contractor, Bill Smith, plus helpers, equipment, and house trailers moving unto Blue Sphinx, supervised by Dave Jordt, of Cooke, Everett & Associates, Inc.

12 Drilling starts on DDH-1, cementing holes for deadmen.

13-15 Driller away by prearrangement on business.

16-17 Drill set up on DDH-1.

17 Bulldozing drill pads & access roads completed.

20 Drilled to 22', mainly in caving ground, old fill.

21 22-42', still caving, lost return water circulation.

23 Cemented.

24 Snowed out.

26 Drilled to 50', lost return water circulation again.

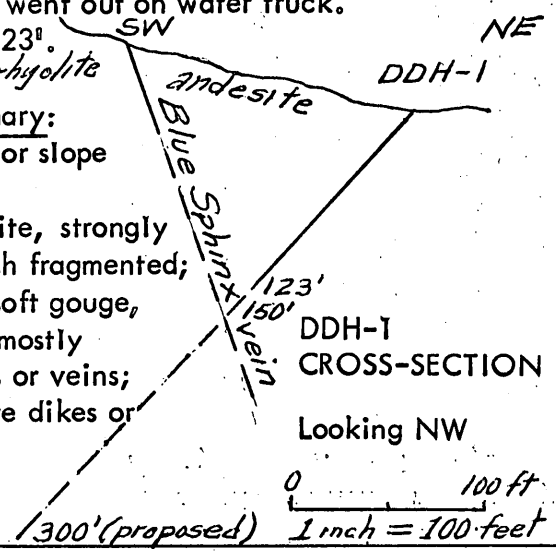
27 50-58'; bearing went out on water truck.

28-30 Drilled 58-123'.

DDH-1 log, summary:

0-20' Old fill or slope rubble.

20-101' Andesite, strongly altered, core much fragmented; much Fe-stained soft gouge, crush & breccia, mostly probably on faults or veins; local hard andesite dikes or silicified zones.



DDH-1
CROSS-SECTION

Looking NW

FOR GOVERNMENT USE

REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

William C. Smith
521 Pearl St.,
Yerington, Nev. 89447

5751

DATE Nov. 20, 1973

CUSTOMER'S ORDER

SALESMAN

TERMS

F.O.B.

SHIPPED VIA

Sold To Cooke, Cockett & Assoc., Inc.
P.O. Box 2000
Reno, Nev.

Shipped To Blue Sphynx

10/9 Blue	Receipt [illegible]			
10/17/73 Incl.	[illegible] hrs @ [illegible] per hr.			112.50
	D8 cat [illegible] constructing			
	5 drill pads & access roads.			
	24 hrs. @ 628.00 per hr.			672.00
	Total			$784.50

Rediform
7S 725
Poly Pak (50 sets) 7P725

INVOICE

KAY-WAY DRILLING CO. INC.

702-463-3379
750 RIVER ROAD
YERINGTON, NEVADA 89447

December 1, 1973

Cooke, Everett & Associates, Inc.
P. O. Box 2992
Reno, Nevada 89505

Invoice for drilling 11-12-73 thru 11-30-73 on the Blue Sphinx Property

$9.00 per foot drilled	0 to 123 feet		$1,107.00
Mud additives and core boxes at cost			
Lumnite	1 sack		16.00
Nevada Cement	1 sack		2.35
Quick Ben	19 sacks	$3.00 per sack	57.00
Quebracho	1 sack		16.00
Caustic Soda	1 sack		10.00
Cal Seal	2 sacks	$14.00 per sack	28.00
Dextrid	1 sack		26.69
Cellex	1 sack		67.76
Calcium Chloride	1 sack		10.00
			233.86
Core Boxes	12	$1.08 each	12.96
		Total	$1,353.76
		Nevada State Sales Tax	8.63
			$1,362.39

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

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O. M. E.
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DEC 5 1973
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HK

December 3, 1973

Memorandum

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

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Interim Inspection

While in Reno, Nevada, on November 27, 1973, a meeting was held with Mr. Richard R. Cooke, field supervisor for the Operator. A supply of the monthly voucher form was given to Mr. Cooke and he was instructed in the preparation of the voucher and narrative report. A nondiscrimination-in-employment poster was also given to Mr. Cooke with instructions as to its posting on the project.

The OME contract was signed by the Operator during the first week of November and work was started on November 9 with the mobilization of the bulldozer. The drill sites and access roads were prepared on November 10 and the drill was mobilized on November 16. Drilling started on November 17 at site No. 1 but was closed down over the Thanksgiving Day holiday and resumed again on November 26. After some difficulty in drilling through loose surface fill and fractured material, the core recovery below about 40 feet was reported to be almost 100% and progressing well at a depth of 56 feet by the evening of November 27. Access to the property is difficult because of snow and muddy roads, but the Operator is hopeful that the drilling can proceed on schedule and be completed by early February 1974.

H. K. Stager

Blue Sphinx, inc.
P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

November 19, 1973

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O. M. E.
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HR

Mr. H. K. Stager, Field Officer
OME, Region II
Office of Minerals Exploration
345 Middlefield Rd.
Menlo Park, CA 94025

RE: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nev.
Contract 2311

Dear Mr. Stager:

In answer to your letter of November 14, 1973, we received our copy of Exhibit C of the subject contract signed by the drilling contractor. We have filed this with our contract.

This is to inform you that Mr. Cooke, of Cooke, Everett & Associates, has been authorized to sign the monthly vouchers as supervisor for Blue Sphinx, Inc. Checks for the government share should be sent to our account at the Oregon Bank, Midland Branch, P O Box 16146, Portland, Oregon, 97233.

Sincerely,

Homer Duggins

Homer D. Duggins
President

RECEIVED
NOV 21 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

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

OFFICIAL
COPY
1973
MINERALS CODE
HK

November 14, 1973

Mr. Homer D. Duggins, President
Blue Sphinx, Inc.
4313 Fremont Avenue N., #202
Seattle, Washington 98103

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada
Contract 2312

Dear Mr. Duggins:

Enclosed is your copy of Exhibit C of the subject contract signed by the drilling contractor. Please attach it to the Operator's copy of the contract in your file.

The contract was received from Mr. Murray in this morning's mail. Mr. Cooke informed me that work would probably start sometime this week, and it is my intention to visit the project during the last week of November and instruct him in the preparation of the monthly vouchers and reports. If Mr. Cooke is going to prepare the monthly vouchers, we should have a letter from you stating that he is authorized to sign them as supervisor or agent for Blue Sphinx, Inc. We will also need your instructions as to where the checks for the Government's share of the costs should be sent.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure

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

HKStager:mkh

WILLIAM B. MURRAY
ATTORNEY AND COUNSELOR AT LAW
1606 STANDARD PLAZA
PORTLAND, OREGON 97204
(503) 226-3819

November 12, 1973

United States Department of Interior
Geological Survey
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Attention: H. K. Stager, Field Officer OME, Region II

Re: OME - 6886 (gold-silver) Blue Sphinx Mines, Mineral County, Nevada

Dear Sir:

Blue Sphinx, Inc. handed me the Government's copy, the Branch of Financial Management copy, and the Field Office copy of the above contract to be transmitted to you.

The contracts have been signed by Blue Sphinx, Inc.. The company has commenced the work on the property under the contract under the direction and supervision of Cooke, Everett and Associates of Reno, Nevada.

Very truly yours,

William B. Murray

WBM/gt

RECEIVED
NOV 1 1 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Blue Sphinx, Inc.
P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

November 10, 1973

Mr. H. K. Stager
Field Officer
OME, Region II
Office of Minerals Exploration
345 Middlefield Rd.
Menlo Park, CA 94025

RE: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Stager:

We have signed three (3) copies of the OME contract and have returned them under separate cover. I have notified Cooke, Everett & Associates, Inc. to proceed with the work and understand they are to begin the drilling program Monday, November 12th. Hope this meets with your approval.

Sincerely,

Homer D. Duggins

Homer D. Duggins
President

Hdd/ad

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O. M. E.
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HK	~~HK~~

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NOV 13 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

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

October 30, 1973

Mr. Homer D. Duggins, President
Blue Sphinx, Inc.
4313 Fremont Avenue N., #202
Seattle, Washington 98103

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Duggins:

Enclosed are the original and three copies of a proposed contract to explore the Blue Sphinx Mines property. The contract consists of MME Form 50 (seven pages), Annex I (two pages), Lien and Subordination Agreements (one page), Exhibit A (three pages), Exhibit B (one page), Exhibit B-1 (one page), Exhibit C (one page to be inserted after signature by drilling contractor), and one map (Figure 1). All copies of the contract have been signed for the Government.

If the proposed contract is satisfactory to you, all copies should be signed by you. The certification below your signature should be completed by the secretary of the corporation and the corporate seal affixed. You should also sign Exhibit B-1 attached to the Government's copy and Operator's copy. The Operator's copy should be retained for your files and the Government's copy, Branch of Financial Management's copy, and Field Office's copy returned to this office.

I have sent the two copies of Exhibit C to Mr. Cooke in Reno so that he can have them signed by the drilling contractor. When these are signed and returned to me, I will attach one to the Government's copy of the contract and send the other to you.

Please note that the 9-1/4 percent interest accrues from the dates on which individual payments are made by the Government, and like the principal, is repayable from royalty on production.

If any part of the proposed contract does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration. If you have any questions, please call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

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

HKStager:mkh

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

October 30, 1973

Mr. H. R. Cooke, Jr.
Cooke, Everett & Associates, Inc.
P.O. Box 2992
Reno, Nevada 89505

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Cooke:

Enclosed are the two copies of Exhibit C to be signed by the drilling contractor, as I discussed with you on the phone. When signed, return them to me and I will attach one to the original of the contract and send the other to Mr. Duggins for him to attach to his copy.

Also enclosed is a copy of the contract that has been sent to Mr. Duggins so that you can discuss it with him if he calls you.

If you have any questions, please call me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

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

NOV 1 1973

HK

HKStager:mkh

FILE COPY

OCT 26 1973

Memorandum

To: Field Officer, Region II
Office of Minerals Exploration

From: Chief, Office of Minerals Exploration

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Enclosed are the original and three copies of a proposed contract to explore the Blue Sphinx Mines property. The contract consists of MMX Form 30 (seven pages), Annex I (two pages), Lien and Subordination Agreements (one page), Exhibit A (three pages), Exhibit B (one page), Exhibit B-1 (one page to be inserted after signature by Applicant), Exhibit C (one page to be inserted after signature by drilling contractor), and one map (Figure 1). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. An extra copy of the contract is enclosed for field use.

If the proposed contract is satisfactory to you and the Applicant, the four copies should be signed by Mr. Homer D. Duggins, President, Blue Sphinx, Inc., and distributed as usual. Mr. Duggins should also sign both copies of Exhibit B-1, retain one copy for the Operator's copy of the contract, and return the other with the Government's copy of the contract. The drilling contractor should sign both copies of Exhibit C, and return them to Mr. Duggins or to you for distribution as with Exhibit B-1.

Please advise the Applicant that the 9 - 3/4 percent interest accrues from the dates on which individual payments are made by the Government, and like the principal, is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Enclosures
cc: DRF MR Rdg./MMX Rdg./OME Files/Mr. Kirkemo HKirkemo/gpw

Left file

United States Department of the Interior

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

August 22, 1973

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 27 1973
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| 120

On-Site Exam

Memorandum

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

From: Field Officer
Region II

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Enclosed is an Application Report on the subject property recommending that a contract be granted consisting of 1,500 feet of diamond drilling, supervision, and assaying, at an estimated total cost of $20,000.

Also enclosed are five copies of Figure 2 for your use if a contract is granted.

Attached are financial statements for Blue Sphinx, Inc., assignment of the lease by Mr. Duggins to Blue Sphinx, Inc., and new Lien and Subordination Agreements.

H. K. Stager

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

ROGERS C. B. MORTON, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

By

H. K. Stager
Field Officer
OME, Region II

August 22, 1973

CONTENTS

	Page
INTRODUCTION	1
SUMMARY	1
RECOMMENDATIONS	2
LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES	2
PROPERTY	3
History and Production	3
Ownership	3
Financial Eligibility	4
Development	4
GEOLOGY	5
Geologic Setting	5
Ore Deposits	5
Sampling	6
Ore Reserves	7
EXPLORATION	7
Applicant's Proposal	7
Examiner's Proposal	8
Proposed Exploration Costs	8
Cost Estimate	9
ENVIRONMENTAL STATEMENT	10

ILLUSTRATIONS

Figure 1. Index map of Mineral County, Nevada.

Figure 2. Map showing claims and proposed exploration, Blue Sphinx Mine, Mineral County, Nevada.

INTRODUCTION

Blue Sphinx, Inc., P.O. Box 16195, Portland, Oregon 97216, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6886, to explore for gold and silver at the Blue Sphinx Mine, Mineral County, Nevada. The Applicant infers the presence of a minable gold- and silver-bearing deposit in altered rhyolite of Tertiary age on the property and wishes to explore the deposit by drilling five or more inclined diamond drill holes.

The application was received in the Field Office on April 16, 1973. A review and field examination was requested by the Office of Minerals Exploration and was made by H. K. Stager, Field Officer, on May 15, 1973, accompanied by Mr. H. R. Cooke, Jr., consulting geologist representing the Applicant.

The Applicant's maps, assays, and other data were examined and compared with surface and underground exposures on the property.

SUMMARY

The area of the Blue Sphinx Mine contains a gold- and silver-bearing quartz vein that occurs along a fault in volcanic rocks of Tertiary age. The results of previous sampling and studies along the mineralized fault zone indicate that there is a potential for the discovery and development of a large low-grade gold-silver deposit, and that drilling to determine the down-dip width, length, and grade of the deposit is the next logical step. The results of the examination indicate that drilling is justified and feasible. The proposed program consists of five inclined diamond drill holes totaling about 1,500 feet at an estimated cost of about $20,000, and will require about 2 months to complete. The project site is accessible and facilities for accomplishing the work are available.

RECOMMENDATIONS

It is recommended that the Government enter into a contract with Blue Sphinx, Inc., to provide 75 percent of the costs of the proposed program to explore the Blue Sphinx property. The project will require about 2 months to complete, and the Government's share of the estimated total cost of $20,000 will be $15,000.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Blue Sphinx property is in secs. 33 and 34, T. 11 N., and sec. 1, T. 10 N., R. 32 E., MDBM, Bovard mining district, Mineral County, Nevada (Figure 1), on the east side of the Gabbs Valley Range at an altitude of about 5,500 feet.

To reach the claims, that are about 25 miles northeast of Hawthorne (the closest town), drive northwest about 2 miles on U. S. Highway 95, turn right (northeast) on the Rawhide Road and drive about 25 miles via Ryan Canyon and Nugent Wash to Gabbs Valley, turn right (east) and drive about 4 miles, then turn right again (south) and continue about 3 miles. The access road to the property is a poorly defined road that leads up an alluvial fan and wash to the southwest about 2 miles to the Blue Sphinx, a large blue-gray monolith of andesite that resembles a sphinx. The road is passable to ordinary passenger vehicles during dry weather but is more easily traveled by 4-wheel drive vehicles. The drive from Hawthorne usually requires about one hour.

Rail, trucking, mail, and telephone service, some supplies, and mine labor are available in Hawthorne, but most supplies, equipment, and materials are obtained from Fallon, Nevada (70 miles), or from the Reno-Sparks area (130 miles). Water is available from wells in Gabbs Valley about 10 miles from the property.

PROPERTY

History and Production

The gold-silver deposits in the Gabbs Valley Range were discovered in 1908 by Al Bovard and other prospectors from the nearby Rawhide district. The district, named the Bovard mining district from the name of its founder, was active during the period 1914 to 1920 and yielded gold, silver, and copper ores with a reported value of $360,000. Most of this production was from the Gold Pen Mine, that adjoins the Blue Sphinx property on the north, and a small mill was in operation at this mine for a short period. Most of the mining has been done by lessees and the ore hauled outside the district for treatment. Only a small quantity of ore has been mined from the Blue Sphinx workings and the Applicant does not have a record of the tonnage or grade. The Applicant obtained the property under Lease and Option on August 30, 1971, and since that time has undertaken some geologic studies and a small-scale sampling program. There has been no development, exploration, or mining on the property in recent years.

Ownership

The property consists of 13 unpatented claims recorded at Hawthorne, Nevada, as follows:

Claim Name	Book	Page
Blue Sphinx	12	81
Blue Sphinx No. 1	12	82
Sphinx No. 2	12	203
Sphinx No. 3	12	204
Sphinx No. 4	12	204
Sphinx No. 5	12	205
Sphinx No. 6	34	607
Sphinx No. 7	34	608

Claim Name	Book	Page
Nesta	12	510
Nesta No. 1	12	511
Nesta No. 2	12	511
Nesta No. 3	34	610
Nesta No. 4	34	612

These claims, as shown on Figure 2, are owned by Mrs. Marie N. Connelly, of 1700 Montello, Reno, Nevada 89502, and were leased to Mr. Homer D. Duggins, president of Blue Sphinx, Inc., on August 30, 1971. Mr. Duggins in turn assigned his rights and interest in the lease to Blue Sphinx, Inc. A copy of the lease was attached to the application and the Applicant furnished copies of Lien and Subordination Agreements signed by the owner.

Financial Eligibility

The Applicant furnished copies of letters to three banks requesting loans for the proposed work and also copies of letters denying the loans. The Applicant proposes to furnish its share of the exploration costs in cash from existing Blue Sphinx, Inc., assets on deposit at the Oregon National Bank in Portland, Oregon. The Applicant furnished copies of current financial statements for the company and its officers.

Development

The property is developed by the Blue Sphinx inclined shaft, about 250 feet deep with less than 200 feet of drifts, the Windless vertical shaft, about 150 feet deep with about 100 feet of drifts and crosscuts, and a large number of shallow prospect pits and trenches along the several thousands of feet of mineralized outcrop. The shafts are open but the ladders and timbers are in poor condition and unsafe. No attempt was made to enter the underground workings during the field examination.

There are no surface facilities on the property and no mining equipment or machinery.

GEOLOGY

Geologic Setting

The Blue Sphinx Mine is in an area of moderate relief and exposures are good. The rocks exposed are all volcanic rocks of Pliocene age and consist chiefly of rhyolite and quartz latite welded tuff overlain locally by andesite flows, tuffs, and breccias. These rocks are cut by a major northwest-trending fault zone, known as the Bovard fault, with a strike length of about 45 miles traversing the north-trending Gabbs Valley Range. All of the mines in the district are along the strike of this fault zone. The zone is several hundreds of feet wide with much brecciation, alteration, and bleaching of the rocks. Quartz veins occur along the zone and locally these are mineralized with gold, silver, copper, manganese, and iron.

Ore Deposits

The ore bodies that have been mined at the Blue Sphinx and adjacent mines consist of gold- and silver-bearing ore shoots in quartz veins within the Bovard fault zone. The quartz veins range from a few inches to about 10 feet thick and where mined have averaged about 5 feet thick. There are only a few small stopes in the Blue Sphinx Mine although the vein has been developed to a depth of 250 feet. Much larger ore shoots are reported from the adjacent Gold Pen Mine. Ore minerals are reported to be free gold with some electrum, cerargyrite, and argentite, in a gangue of iron and manganese-stained quartz. Oxidation appears to be nearly complete to the 250 level.

Although the quartz vein will be tested by the proposed drilling, the principal target of the exploration is the lower grade material in the footwall of the deposit between the Blue Sphinx and Windless shafts. Geochemical sampling indicates a large area of anomalously high arsenic in a bleached and silicified zone about 1,000 feet long and as much as 350 feet wide. Samples from surface and underground exposures in this area also indicate significant gold and silver mineralization over thicknesses of from 20 to 30 feet in the footwall of the quartz vein.

Sampling

The application contained all of the available assay data consisting of about 40 assays for gold and silver and 260 geochemical assays for arsenic. The gold content ranged from a trace to 2.15 ounces per ton and the silver content from a trace to 2.00 ounces per ton. The higher grade material was from samples taken across 3 feet of vein in the Blue Sphinx shaft, although one sample 30 feet long in a footwall drift at the bottom of the Windlass shaft assayed 1.76 ounces of gold and 0.90 ounce of silver per ton. Three samples at the Blue Sphinx shaft, each 20 feet long, taken at the surface and on the 90-foot and 150-foot levels averaged about 0.2 ounce of gold and 0.47 ounce of silver per ton.

The geochemical samples ranged from 5 ppm to 710 ppm arsenic with a well-defined anomaly of more than 100 ppm extending from the Windlass shaft to 300 feet north of the Blue Sphinx shaft (Figure 2). The area of this anomaly along the Bovard fault, on the Sphinx No. 2 claim, is the target of the proposed exploration.

Ore Reserves

The application contains an estimate of inferred reserves of at least 1.5 million tons of gold-silver ore in a block 1,000 feet long, 100 to 350 feet wide, and to a depth of 150 feet. The grade of these reserves is estimated to be from 0.16 to 1.76 ounces of gold and 0.19 to 0.90 ounce of silver per ton.

These estimates are based on sparse sample data from a large area and are therefore subject to considerable question. The proposed project, consisting of five inclined core holes about 150 feet apart along the strike of the deposit together with careful assaying of all the mineralized material, will provide sufficient data to more closely estimate the size and grade of the deposit.

EXPLORATION

Applicant's Proposal

The Applicant proposes to explore the deposit by drilling five diamond drill holes from surface sites, each about 300 feet deep at an inclination of about 60°, for a total of 1,500 feet. These holes will be about 150 feet apart along a line about 150 feet northeast of the Blue Sphinx and Windlass shafts on the Sphinx No. 2 claim (Figure 2). Total cost of the project, including site preparation, drilling, assaying, and supervision, is estimated at $20,000, and will require about 2 months to complete.

It was pointed out to the Applicant that a large part of the favorable target area, as indicated by the geochemical anomaly, extends into the adjoining Gold Pen Mine property. By eliminating the area outside of the Blue Sphinx property, and limiting exploration to no closer than 100 feet to the

property line, the target area will not be properly tested. The Applicant's representative stated that attempts were being made to obtain control of the Gold Pen property, so that exploration could be extended northward, but that it was his opinion that if the planned exploration is successful, a mining operation would be feasible within the Blue Sphinx property alone.

Examiner's Proposal

I concur in the Applicant's proposal to drill five inclined holes along the strike of the deposit between the Blue Sphinx and Windlass shafts on the Sphinx No. 2 claim.

If the Applicant is successful in obtaining control of the Gold Pen property, additional holes should be drilled along the strike, northwest of the Blue Sphinx shaft, to explore the entire geochemical anomaly.

Proposed Exploration Costs

The application contains sufficient cost data, including bids by drilling and bulldozing contractors, to estimate the costs of the proposed work. Bids for the drilling and bulldozing are all reasonable and competitive and would result in about the same average costs. The estimated costs for supervision and consultants are out of proportion for the amount of exploration planned (Applicant's proposal) and can be substantially reduced. A field supervisor on the job to take care of sampling and core handling, with a visit about one day per week by a consulting mining geologist, should be adequate. Office expenses should not exceed about $100 per month for 3 months and should be a fixed unit cost item.

There will probably be a problem, as there has been in the past, with obtaining accurate, reproducible assays of the low-grade material intersected by the drill holes. For this reason, the Applicant wishes to have umpire-type

assays, requiring 4 assay-ton fusions at a cost of $12 per sample. I concur that such a procedure is worthwhile in this case and that the added cost is justified.

Cost Estimate

Actual Costs

Preparation of drill sites	
Mobilization and demobilization of bulldozer	$ 100.00
Bulldozing, 8 hours at $20.00 per hour	160.00
Drilling	
1,500 feet NX diamond drilling at $9.00 per foot	13,500.00
Drilling mud, cement, and additives, list price not to exceed	200.00
Lost bits, rods, and casing, 50% of list price not to exceed	260.00
Core boxes, 150 at $1.20 each	180.00
Total actual costs	$14,400.00

Fixed Unit Costs

Supervision, 2 months at $1,000 per month	$ 2,000.00
Consulting geologists, 10 days at $115 per day	1,150.00
Per diem, 10 days at $25 per day	250.00
Travel, 1,000 miles at 10¢ per mile	100.00
Office expenses, 3 months at $100 per month	300.00
Assays for gold and silver, 4 assay-ton umpire charges, 150 samples at $12 per sample	1,800.00
Total fixed unit costs	$ 5,600.00
Estimated total cost of project	$20,000.00
Government participation at 75 percent	$15,000.00

ENVIRONMENTAL STATEMENT

The purpose of the proposed project is to explore, by diamond drilling from surface sites, a large gold- and silver-bearing deposit in altered rhyolite of Tertiary age. The work is planned in an area between two existing mine shafts. One drill site is planned for the cleared area at the Blue Sphinx shaft, another site is on the existing mine access road, and the other three sites will be prepared short distances off the access road. Only a small amount of loose surface material will be disturbed by the site leveling operation. Some scattered low bushes and grasses will be removed by the bulldozing. The impact of the proposed work on the environment will be small.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6886
(Gold-Silver)

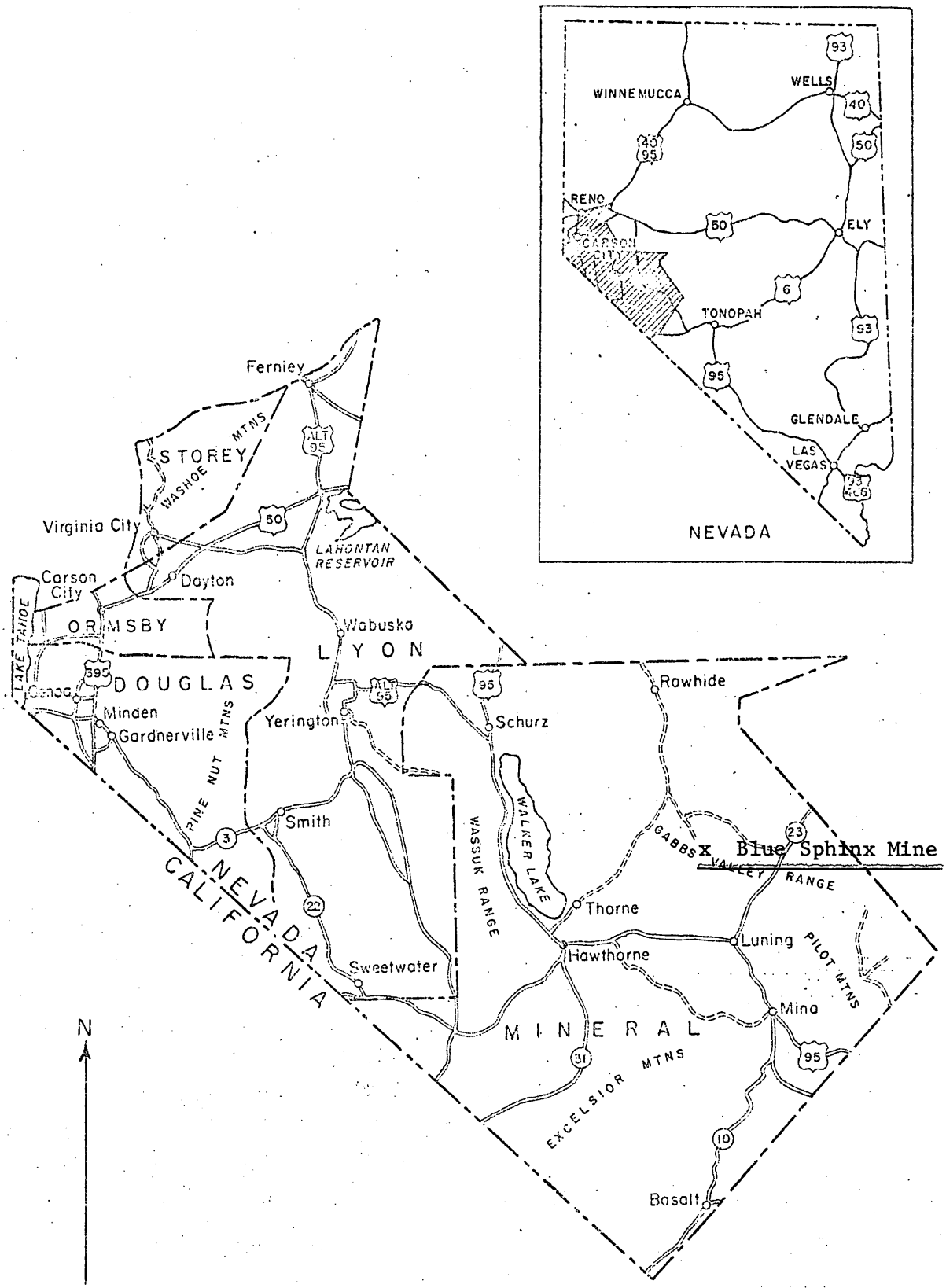

Figure 1. INDEX MAP OF STOREY, ORMSBY, DOUGLAS, LYON, AND MINERAL COUNTIES, NEVADA

0 20 40 60 MILES

Blue Sphinx, inc.
P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

August 18, 1973

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

RE: OME - 6866 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Stager:

Enclosed is statement of the current financial status of the Blue Sphinx, Inc. and also individual financial statements of the officers of the corporation.

Hope these are the necessary documents needed for completion of our OME loan application. Please advise me if there are further documents necessary or any further information needed regarding the loan application.

Sincerely yours, Homer D. Duggins

Homer D. Duggins
President

4313 Fremont Ave. N. #202
Seattle, WA 98103

Enc:

HDD/a

RECEIVED
AUG 21 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

FINANCIAL STATEMENT

Homer & Anna Duggins

August 15, 1973

ASSETS		LIABILITIES	
Real Estate	$ 19,500.00	Home Mortgage Balance	$ 6,700.00
Blue Sphinx, Inc. Stock	10,000.00		
Bondstock Mutual Funds	4,350.00		
Inner Space Institute Stock	500.00		
Furniture	5,000.00		
Personal Items	2,000.00		
Cash in Gov't Retirement Fund (Anna M.)	3,700.00		
Series "E" Bonds	1,400.00		
Burial Plans paid up	1,000.00		
Savings -			
Wash. Mutual -Yakima	3,000.00		
-Seattle	1,800.00		
Readi-Credit Limit	1,200.00	Readi-Credit	800.00
Automobiles -			
1966 Buick Electra 225	800.00		
1970 Ford Pick-up	2,200.00	Truck Loan	523.00
Bank Balance - SFN Seattle	800.00		
" Bank of Yakima	100.00		
Cash on Hand	800.00		
Homer D. - Annual Salary	12,000.00		
Anna M. Annual Salary	8,500.00		
	$ 78,650.00		$ 8,023.00

Life Insurance Policies:

Homer D.	Prudential	$ 5,500.00	
	Union	3,000.00	
	Met. Ins.	2,000.00	
	Mutual Fund	5,000.00	
			$15,000.00
Anna M.	Gov't	10,000.00	
	Met. Ins.	1,000.00	
	Union	1,000.00	$12,000.00

George Mutual Ins. Co. Trust & Indo.

FINANCIAL STATEMENT

UNITED STATES NATIONAL BANK OF OREGON

AGRICULTURE

From - Name Jack Mears - Wanda (IF MARRIED, SHOW WIFE'S GIVEN NAME)

Branch Hood River

Address Rt 1 Box 1775

Type of Operation Fruit Pickling & Grower

Age 42 Marital Status Married (MARRIED-SINGLE-WIDOWER-DIVORCED) Dependents 6

Financial Condition as of 7-18-73 Date

Social Security No. (TAN)

ASSETS

Cash on hand and in bank		2	700	—
Accounts Receivable	(Schedule A)	1	000	—
Notes Receivable	(Schedule A)			
Merchandise (Harvested Crops)	(Schedule B)		—	
Livestock (To be sold within year)	(Schedule F)		—	
Cash value life insurance		3	000	—
Listed Securities (attach list)				
6 Hoe Cattle Trust		3	050	—
TOTAL CURRENT ASSETS $		9	750	—
Land and Buildings	(Schedule D)	91	000	—
Machinery and Equipment	(Schedule H)	8	050	—
Livestock (not to be sold during year)	(Schedule F)	7	300	—
Equipment (Schedule power ins/pickup list)				
68 Ford P. Chev Pu-65 2 Ton		7	500	—
1966 Ford Tractor		5	000	—
TOTAL ASSETS $		128	600	—

LIABILITIES

Notes payable to this Bank	(Schedule E)			
Notes payable to other banks	" "	3	000	—
Notes payable to Others	" "			
Accounts Payable (attach list)				
Due relatives in any form	(Schedule E)			
Equipment payments due within 12 months	(Schedule E)	3	064	55
Real Estate payments due within 12 months	(Schedule D)	5	800	—
Federal and State Income Taxes				
Unpaid Personal and/or Real Property Taxes				
TOTAL CURRENT LIABILITIES $		11	864	55
Mortgages and contracts on real estate due after 12 months	(Schedule D)	37	700	—
Equipment contracts due after 12 months	(Schedule E)	1	815	90
TOTAL LIABILITIES		51	080	45
NET WORTH		77	519	55
TOTAL $		128	600	—

SCHEDULE A: ACCOUNTS AND NOTES RECEIVABLE

Name	Amount	How and When Payable	Details (Security, if any)
Union Fruit Division	1 000 —		
TOTAL $			

SCHEDULE B: HARVESTED CROPS

(When Used ____)

Acres	Crop	(S) Sell or (F) Feed	Unit Value	(omit cents) Total Market Value
TOTAL $				

SCHEDULE C: ESTIMATED GROWING CROPS

Acres	Crop	(S) Sell or (F) Feed	Your Share	Est. Yield ~~Per Acre~~	Unit Value	(omit cents) Total Value
	Apples			3600		
	Red Del			1200		
	Gold Del.			100		
	New Town			3000		
	Pears			600		
	Bartlett			25 T.		
TOTAL $						

INSURANCE

Life (to whom payable) Wife	2	000	—
Crop & Merchandise - Fire ☐ Fed Crop ☐ Hail ☐			
Fire - Buildings			
Fire - Machinery & Equipment	Combined		
Liability			

The foregoing statement is furnished for the purpose of procuring credit from you from time to time. The statement fully and truly sets forth the financial condition of the undersigned on the above date, and you may consider this information as continuing to be full and accurate until further notice by the undersigned. The undersigned agrees to notify you promptly of any change that materially reduces his or her pecuniary responsibility.

If such a change occurs in the financial condition of the undersigned as in your sole opinion increases your risk of collection, all obligations of the undersigned held by you upon which the undersigned is liable in any capacity shall at your option immediately become due and payable without demand or notice, and the same may be set off against any deposit account or property of the undersigned held by you, whether any such obligations are due or not.

Signature Jack Mears

Signature

54-553 12/68 HEAD OFFICE PORTLAND

FININACIAL STATEMENT

W. HARRISON TYNER — AUGUST, 1973

ASSETS

Yearly Income	$19,000.00
Car Worth	1,100.00
Recording-Sound Items (complete stage gear)	6,000.00
Religious Books	1,670.00
Household Items (furniture, clothes, etc.)	3,000.00
Accounts Receivable (debts owed me)	2,900.00
Cash on hand	1,000.00
	$34,670.00

LIBILITIES

All My Present Debts	$4,860.00

INSURANCE

Insurance Now In Force	$130,000.00

STOCK

COMPANY	SHARES	VALUE
Visadore, Co. (Lumber, Jasper, Texas)	500	$400.00
House of Loyd, Inc. (Music Co.)	700	no value
Blue Sphinx, Inc. (Mining)	500,000	no value

The above statement, based on the last twelve months, is to the best of my ability, representative of my fininacial situation.

signed: W. Harrison Tyner
W. Harrison Tyner

BLUE SPHINX, INC.

Financial Statement

As of June 30, 1973

TRISSELL'S bookkeeping service
708 S. E. 29th
Portland, Oregon
97214
235-8058

August 7, 1973

Board of Directors
Blue Sphinx, Inc.
Rt. 1 Box 1775
Hood River, Oregon 97031

Gentlemen:

Enclosed please find the Financial Statements for the twelve month period ended June 30, 1973.

These statements were prepared from your records without audit verification, therefore, I am unable to express an independent accountants opinion thereon.

Yours very truly,

Margaret Trissell

Margaret A. Trissell
TRISSELL's BOOKKEEPING SERVICE

m

BLUE SPHINX, INC.

Balance Sheet
As of June 30, 1973
(unaudited)

ASSETS

Current Assets:		
Cash on Deposit		$ 14,738.99
Fixed Assets:		
Office equipment	$ 930.03	
Automobile	4,287.00	
	5,217.03	
Less: Accumulated Depreciation	(807.00)	
Total Fixed Assets		4,410.03
Prepaid Interest		965.04
		$ 20,114.06

Liabilities and Net Worth

Liabilities:	
Note Payable - Oregon Bank	$ 4,011.09
Capital Stock	26,904.05
Retained Earnings - Net Loss June 30, 1973	(10,801.08)
	$ 20,114.06

Blue Sphinx, Inc.

Statement of Receipts and Disbursements

For the Twelve month period ended June 30, 1973
(unaudited)

Receipts		$ -0-
Disbursements:		
Depreciation	$ 807.00	
Insurance	148.00	
Interest	193.00	
Lease	1,600.00	
Office expense	228.86	
Professional fees	3,630.00	
Research expense	720.00	
Taxes and licenses	40.00	
Telephone	1,109.55	
Travel	2,324.67	
Total Disbursements		10,801.08
Net Loss		$(10,801.08)

Lift

Blue Sphinx, inc.

P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 27 1973
Case 120 mv
120

August 13, 1973

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

Re: OME - 6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Sir:

In reference to my assignment to the Blue Sphinx Corporation, enclosed is copy of a portion of our first meeting of the Board of Directors of the Blue Sphinx, Inc. whereby I offered to assign, transfer and convey to the Blue Sphinx c orp. all of my rights, title and interest in the Purchase Option Agreement with Marie Connelly, and the acceptance of my offer signed by the Board of Directors. The original of this agreement is on file with Mr. William J. Crowell, the corporation attorney and resident agent, in Carson City, Nevada. This seems to be the only legal document we have covering this matter, and hope this meets with your approval and is the information you need.

The corporation's financial statement and the officer's individual financial statements will follow.

Sincerely yours,

Homer D. Duggins

Homer D. Duggins

4313 Fremont Ave. N. #202
Seattle, WA 98103

Enc:

HDD/a

RECEIVED
AUG 17 1973
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

Carson City, Nevada
June 1, 1972

TO: The Board of Directors of
BLUE SPHINX, INC.
Room 11
Crowell Building
402 North Carson Street
Carson City, Nevada 89701

O F F E R

I, THE UNDERSIGNED, represent that I am the owner and in possession of a Lease and Option Agreement from Negrete and Connally for a group of nine (9) unpatented lode mining claims known as:

Blue Sphinx 1, 2, 3, 4, 5, and
Nester 1 and 2,
situate in Mineral County, Nevada,
recorded in Book 28, Page 640,
Item No. 11484, Mineral County Records

I offer to assign, transfer and convey unto your Corporation all of my right, title and interest in and to said mining Lease and Option in consideration of the issuance to me of Five Hundred Thousand (500,000) shares of the capital stock of your Corporation, fully paid and non-assessable.

In the event that you agree to accept the foregoing offer, it is understood and agreed that you will comply with all of the terms, covenants and conditions set forth in the mining Lease and Option, a copy of which is herewith presented to you, and that in the event you are not able to comply therewith or elect to cancel or terminate said Lease and Option Agreement that you will timely advise me of any contemplated cancellation or default therein.

Your acceptance and endorsement hereon shall constitute a binding agreement between us.

Homer D. Duggins
Homer D. Duggins

The foregoing offer is hereby approved and accepted.

DATED: This 1st day of June, 1972.

BLUE SPHINX, INC.

By: Jack H. Mears
Jack H. Mears, Vice-President

By: William H. Tyner
William H. Tyner, Secretary

Carson City, Nevada
June 1, 1972

TO: The Board of Directors of
BLUE SPHINX, INC.
Room 11
Crowell Building
402 North Carson Street
Carson City, Nevada 89701

SUBSCRIPTION FOR STOCK

THE UNDERSIGNED, each does hereby offer to purchase from your Corporation Five Hundred Thousand (500,000) shares of capital stock of the Corporation, and each of the undersigned agree to pay to the Corporation the sum of TWO THOUSAND FIVE HUNDRED DOLLARS ($2,500.00) in consideration therefor.

Upon the approval and acceptance of this offer the undersigned will forthwith each pay to the Corporation Two Thousand Five Hundred Dollars ($2,500.00) as aforesaid.

Jack H. Mears
Jack H. Mears

William H. Tyner
William H. Tyner

The foregoing offer and subscription for stock is hereby approved and accepted.

DATED: This 1st day of June, 1972.

BLUE SPHINX, INC.

By: Homer D. Duggins
Homer D. Duggins, President

Carson City, Nevada
June 1, 1972

TO: The Board of Directors of
BLUE SPHINX, INC.
Room 11
Crowell Building
402 North Carson Street
Carson City, Nevada 89701

OFFER

I, THE UNDERSIGNED, represent that I am the owner and in possession of a Lease and Option Agreement from Negrete and Connally for a group of nine (9) unpatented lode mining claims known as:

Blue Sphinx 1, 2, 3, 4, 5, and
Nester 1 and 2,
situate in Mineral County, Nevada,
recorded in Book 28, Page 640,
Item No. 11484, Mineral County Records

I offer to assign, transfer and convey unto your Corporation all of my right, title and interest in and to said mining Lease and Option in consideration of the issuance to me of Five Hundred Thousand (500,000) shares of the capital stock of your Corporation, fully paid and non-assessable.

In the event that you agree to accept the foregoing offer, it is understood and agreed that you will comply with all of the terms, covenants and conditions set forth in the mining Lease and Option, a copy of which is herewith presented to you, and that in the event you are not able to comply therewith or elect to cancel or terminate said Lease and Option Agreement that you will timely advise me of any contemplated cancellation or default therein.

Your acceptance and endorsement hereon shall constitute a binding agreement between us.

Homer D. Duggins
Homer D. Duggins

The foregoing offer is hereby approved and accepted.

DATED: This 1st day of June, 1972.

BLUE SPHINX, INC.

By: Jack H. Mears
Jack H. Mears, Vice-President

By: William H. Turner
William H. Turner, Secretary

Carson City, Nevada
June 1, 1972

TO: The Board of Directors of
BLUE SPHINX, INC.
Room 11
Crowell Building
402 North Carson Street
Carson City, Nevada 89701

SUBSCRIPTION FOR STOCK

THE UNDERSIGNED, each does hereby offer to purchase from your Corporation Five Hundred Thousand (500,000) shares of capital stock of the Corporation, and each of the undersigned agree to pay to the Corporation the sum of TWO THOUSAND FIVE HUNDRED DOLLARS ($2,500.00) in consideration therefor.

Upon the approval and acceptance of this offer the undersigned will forthwith each pay to the Corporation Two Thousand Five Hundred Dollars ($2,500.00) as aforesaid.

Jack H. Mears
Jack H. Mears

William H. Tyner
William H. Tyner

The foregoing offer and subscription for stock is hereby approved and accepted.

DATED: This 1st day of June, 1972.

BLUE SPHINX, INC.

By: Homer D. Duggins
Homer D. Duggins, President

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 13 1973
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HK
cc

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

July 11, 1973

Mr. H. R. Cooke, Jr.
Cooke, Everett & Associates, Inc.
P.O. Box 2992
Reno, Nevada 89505

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Cooke:

Thank you for your letter of June 29, 1973, and the map showing the location of the five proposed diamond drill holes on the Blue Sphinx 2 claim.

I am returning the copies of the agreement signed by Duggins, Mears, and Tyner inasmuch as I know it would be unsatisfactory to the Government lawyers. The document is simply an agreement to assign rights to the purchase option agreement on the Blue Sphinx Mine property. It does not indicate when or to whom. What is required is an assignment from Mr. Duggins to Blue Sphinx, Inc., of all his rights and interest in the claims and lease (dated, notorized, and recorded).

Also returned are the photocopies of the Lien and Subordination Agreements. Enclosed are six copies of MME Form 52. Please fill them out completely, including the new claims. Fill in item 6 and the date of the signing. Have Marie N. Connelly sign all copies, including her present address, and send us five copies. The two copies you sent are obviously photocopies of the original agreements to which have been added the new claims without any evidence by initials or signature that Mrs. Connelly agrees to the additions or if there are any added provisions.

We have not yet received a statement of the current financial status of the company and its officers, as requested by Mr. Kirkemo's letter of April 26, 1973.

Submittal of the information requested above should not be construed as a commitment by the Government that a contract will be offered.

I am sorry for this long delay, since we made the field examination last May 15, but it would be futile for me to submit my report and recommendations to Washington, D. C., before all of the necessary documentation is complete. If you have any questions please call me.

Sincerely,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: Blue Sphinx, Inc.
P.O. Box 16195
Portland, Oregon 97216

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

HKStager:mkh

Blue Sphinx, inc.
P.O. Box 16195
Portland, Oregon 97216
(503) 252-8033

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May 5, 1973

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

Attn: Harold Kirkemo
Chief, Office of Minerals Exploration

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Kirkemo:

We received your letter dated April 26, 1973 with docket assignment No. 6886. This has been filed with our copy of the application for OME loan.

Regarding the lease with Homer Duggins and Manuel Negrete and Marie Connelly, we have on file with our resident agent Mr. W. J. Crowell, Attorney, Carson City, Nevada, a copy of my assignment of the lease to Blue Sphinx, Inc. All payments on that assignment are made to date.

As to the 13 claims (9 original, amended Mar. 1973), our geologist Cooke & Associates, felt it necessary to restake the claims because of deteriation so a complete survey was made adding two claims to cover the hanging wall side of the fault, which seemed necessary, also two mill sight claims.

As to the exploratory drill holes, we felt it would be better to agree to the location of the drill holes after your field officer looked at the claims.

As to our share of the OME loan, our portion of the loan would be set aside if you preferred in a special account at the proper time. At present our assets are on deposit at the Oregon National Bank in Portland. That bank has a copy of a current financial statement of the officers and also current financial status of the company which would be available when necessary.

Sincerely yours,

Homer Duggins

Homer Duggins
President
Blue Sphinx, Inc.

hd/a

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

April 26, 1973

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

The subject application is referred to you for further study, and as you mentioned yesterday by phone, a field examination in mid-May when you are in the general area of the property on other investigations.

You will note in the enclosed copy of our letter to the applicant that we covered most of the problems you mentioned in your memorandum to us of April 19, 1973. In the event you should recommend approval of the application, any residual or new problems that are unresolved probably could be settled during or after your visit to the property.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo

HKirkemo/cac 4/26/73

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

April 26, 1973

Mr. Homer D. Duggins
President
Blue Sphinx, Inc.
4313 Fremont Avenue N.
Seattle, Washington 98103

Re: OME-6886 (Gold-Silver)
Blue Sphinx, Inc.
Blue Sphinx Mines
Mineral County, Nevada

Dear Mr. Duggins:

Your application dated April 13, 1973, for financial assistance to explore the Blue Sphinx property has been assigned Docket No. 6886. Please identify all future correspondence relating to the application by this docket number. We enclose for your information a copy of Exhibit A entitled "Notice to Prospective Federally Assisted Construction Contractors" which describes certain additional regulations and requirements not included in the application form. This should be filed with your copy of the application.

We note in the application that the claims leased to Homer D. Duggins by Manuel R. Negrete and Marie N. Connelly on August 30, 1971, have not been assigned to Blue Sphinx, Inc., the Applicant, as would be required in the event of an OME contract. Under terms of the Lease and Option agreement, the Lessee, Mr. Duggins, is required to make monthly payments of $100 to the Lessors beginning with November 1, 1971. Have payments been made regularly in compliance with this provision of the Lease?

Attachment 2b to the application mentions the "Blue Sphinx block of 13 claims (9 original, amended Mar. 1973, and 4 contiguous, located Mar. 1973) location certificates not yet recorded)". What changes were made in the 9 original claims, and who owns the four remaining claims? How many claims do you intend to include in the OME application?

In the event of an OME contract, the locations of the proposed access road and the five exploratory drill holes should be shown on a map. Also in the event of a contract, two additional copies of the Lien and Subordination Agreements would have to be furnished.

You state that the Applicant would furnish "his share of exploration costs from approximately $10,000 Blue Sphinx, Inc. assets." We would have to be assured that such assets include adequate cash funds or readily negotiable assets to pay the Operator's share of the costs. We would appreciate receiving a statement of the current financial status of the company and its officers.

Submittal of the information requested above should not be construed as a commitment by the Government that a contract will be offered. Mr. H. K. Stager, OME Field Officer, Region II, will notify you if additional information concerning the application is needed, or possibly to make arrangements to examine the property.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's reading file
Mineral Resources
OME reading file
Region II
Mr. Kirkemo

HKirkemo/cac 4/26/73

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6886
(Gold-Silver)

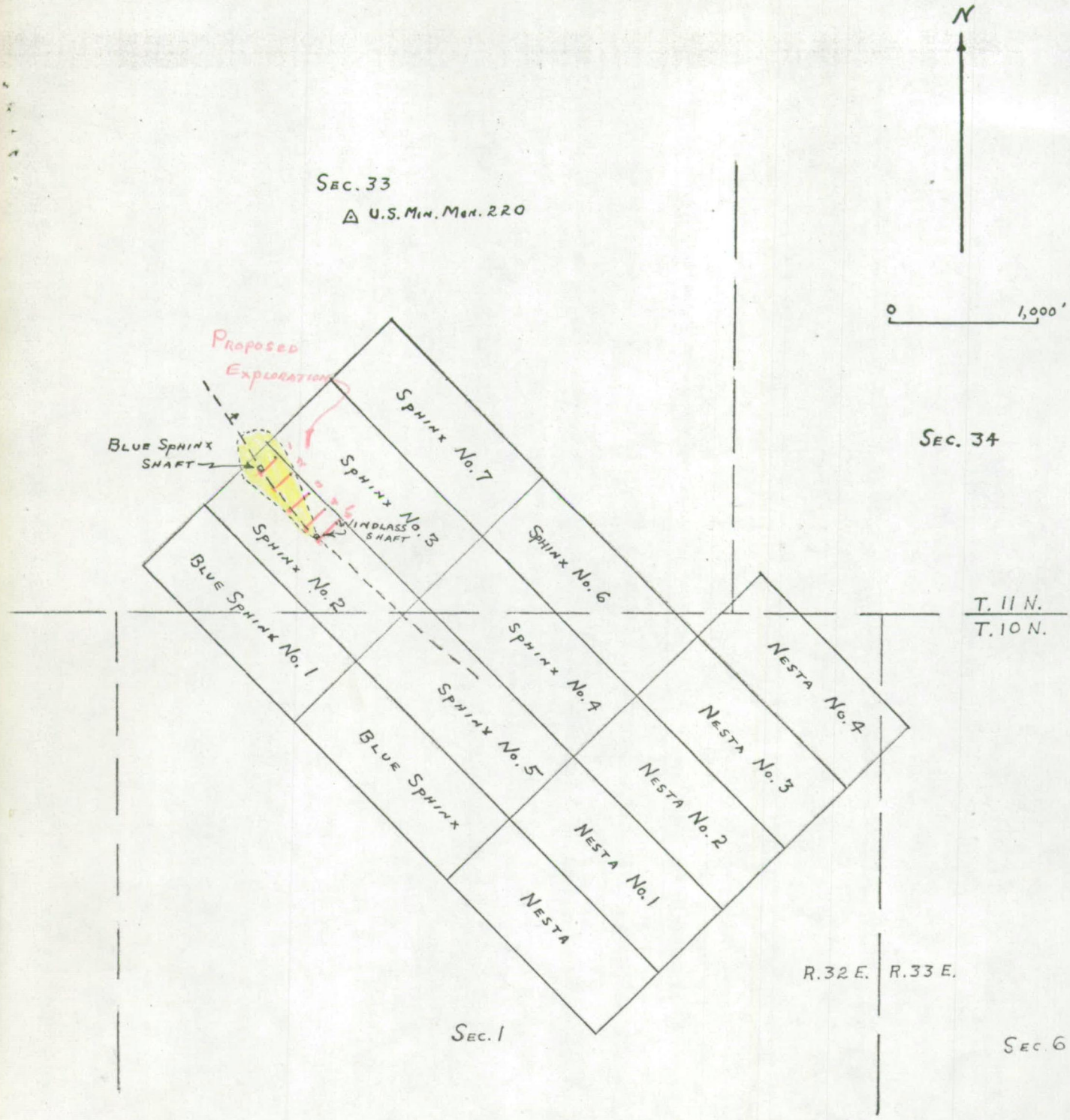


Figure 1. Map showing claims and proposed exploration, Blue Sphinx Mine, Mineral County, Nevada

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME-6886
(Gold-Silver)

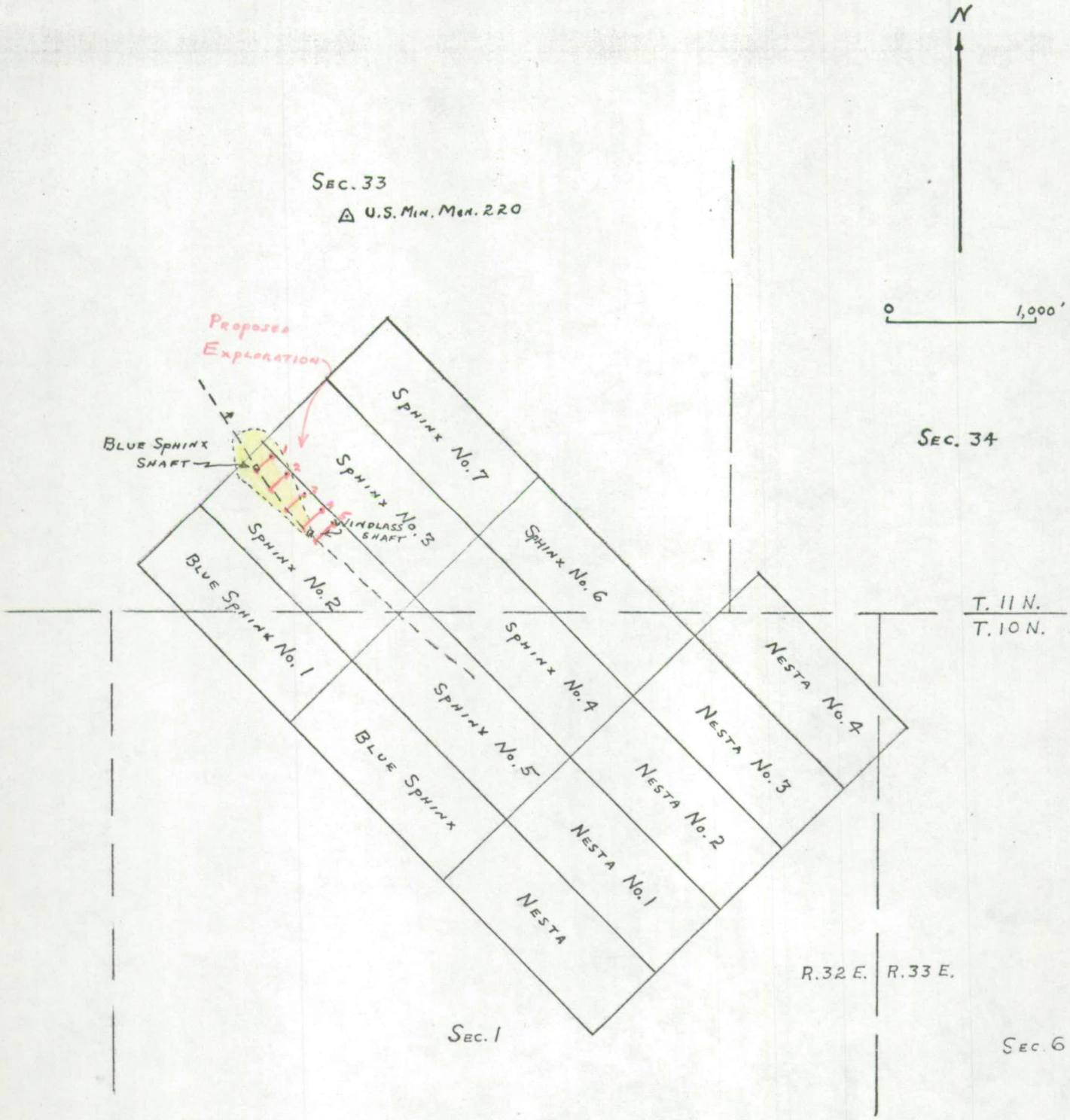


Figure 2. Map showing claims and proposed exploration, Blue Sphinx Mine, Mineral County, Nevada

DDH LOG Site Blue Sphinx min[illegible] Location Mineral Co., Nevada Hole no. DDH-2 Page 2 of 2

Run depth ft	Core size	recovery feet	%	Ft	Rock description	Smpl no.	Analyses Au	oz	Ag	Notes
175-185	NX	9.5	180' 95		153-175 Rhyolite porphyry, altered: q phenocrysts(X-+); dsmd py; Sid(+), broken (+) w/a few thin gg; FeOx & jarosite(x).	BSD-51				
185-195		9.5	95			BSD-52				
195-205		9.5	95 200'		153-164 Py dsmd 3%± by volume; FeOx on partings. 164-175 Rhy, hard, solid; Chlorite (tr) on fr; FeOx less.	BSD-53				
205-215		9.0	90			BSD-54				
215-225		9.5	95		175-291 Rhy porphyry: q phenocyrsts; chlorite-epidote on some partings; py dsmd(±); FeOx (±) on fr; loc gg & bx z.	BSD-55				
225-235		9.8	98			BSD-56				
235-245		9.7	97			BSD-57				
245-255		9.5	95 250'			BSD-58				
255-265		9.8	98			BSD-59				
265-275		9.5	95			BSD-60				
275-285		9.8	98			BSD-61				
285-291		5.7	95			BSD-62				
Bottom - 291 ft										

300'

350'

py	pyrite
q	quartz
rhy	rhyolite
rk	rock
Sid, Sin	silicificied, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone

(++)	very much
(+)	much
(X)	some
(±)	little
(tr)	traces
(0)	none
	breccia
	vein quartz
	contact

	gouge, crush (faulting)
	mineralization (sulfide Fe()x from sulfides)
	andesite, fresh
	andesite, altered
	rhyolite, fresh
	rhyolite, altered

DIAMOND DRILL HOLE LOG Site Blue Sphinx mine Location Bovard Dist., Mineral Co. Page 1 of 2

Hole no. DDH-2 Alt. ____ Coord. N ____ E ____ Bearing S35W Inclin. -45 Start Dec. 15, 1973

Finish Dec. 31, 1973 Depth 291' Logged by JPRogowsky, HRCooke Anal. by Nevada Assay Office

Remarks; abbreviations & symbols: Wireline drilling; assays by 4 assay ton charge. Ag # silver, alt - alteration, andt - andesite, Au - gold, bx - breccia, cr - crush, - dsmd - disseminated, FeOx - iron oxides, fr - fracture, frgt - fragment, gg - gouge, jar - jarosite, loc - local, MnOx - manganese oxides (over)

Run depth ft	Core size	recovery feet	recovery %	Ft	Rock description	Smpl no.	Analyses Au oz	Analyses Ag	Notes
0- 20	rock bit	0	0		Overburden				
20- 30	NX	9.5	95		20-82': Andesite, altered: - Bleached, soft, alt(X-+) to clays, sericite?, alun-ite?; many irregular fr & joints coated	BSD-31			
30- 40		8.5	85		w/Fe)x & MnOx. A few hairline q vlts w/py casts. Py casts(±) in ground-mass.	BSD-32			
40- 50		9.0	90		23.5' Bx vlt 3/4".	BSD-33			
					26 Gg 5", FeOx-stained.				
					30-35 Bx & gg; at 32', 2" gray putty				
50- 60		9.0	90		gg; bx frgts Sid; FeOx on fr & joints.	BSD-34			
					44.5-49 Bx & gg, jarosite & FeOx-stained.	BSD-35			
60- 70		9.0	90		(50-57 Bxd, frgts to 6", several putty				
					(59-65 gouges.				
70- 80		9.5	95		68-82 Andt alt (tr-+).	BSD-36			
					74+ Iridescent MnOx				
80- 90		9.5	95			BSD-37			
					82-153' Andesite, faulted, bxd, alt,				
90-100		9.0	90		veined: clay, sericite?, alunite?, loc chlorite & Si alt. Gg & cr(+), bx frgts	BSD-38			
					to 2" dm stained by FeOx, MnOx, gyp-sum, jarosite; FeOx on partings. Loc				
100-110		9.5	95		dsmd py & dark sulfide -tennantite?	BSD-39			
					Loc v q frgts w/py & gray sulfides.				
110-117		6.7	95		86' Boxwork from sulfides.	BSD-40			
					87-88 MnOx, nodular?; FeOx &				
117-120		2.7	90		jarosite.	BSD-41			
					117-120 Dsmd py 5%+ of volume & gray sulfide (tennantite?) -				
120-125		4.8	95		high reflectivity, As smell on fresh breaks.	BSD-42			
					106, 107 Gg, thin, white, punky				
125-128		2.9	95		120-125 Py dsmd(±), v q frgts, stock works in andt.	BSD-43			
128-134		5.4	90		125-128 Gg, gray, putty-like, bx frgts to 3/4".	BSD-44			
134-140		5.4	90		134-145 Andt, gg & bx w/q frgts, py	BSD-45			
140-145		4.8	95		(X)	BSD-46			
145-151		5.4	90		145-153 Andt & rhy frgts mixed;	BSD-47			
					q frgts up to 50%; gg & bx, FeOx,				
151-155		3.6	90		jarosite, MnOx vlts; clay, ser-	BSD-48			
155-164		8.6	95		icite, Si,	BSD-49			
164-175		10.5	95			BSD-50			

DDH LOG. Site Blue Sphinx mine Location Mineral Co., NV Hole no. DDH-1 Page 2
DDH-1

depth ft	size	feet	%	Ft Rock description	Smpl. no.	Analyses Au oz	Ag	Notes
170-180	NX	9.7	97		BSD-16	nil	.87	
				174-181' Gg & cr, grey				
180-190		9.6	96		BSD-17	nil	nil	
	NX 198			191-195' Gg & cr, green-stained partings - Fe sulfate?				
190-200	BX	9.3	93		BSD-18	tr	.20	
200-210		9.2	92		BSD-19	.003	.18	
210-220		9.2	92		BSD-20	nil	.31	
				214-216' Gg, brown Fe stain				
220-230		9.0	90		BSD-21	nil	.54	
230-250		15.0	75	228-229' Gg & cr, gypsum, FeOx 230-246' Gg & cr, sticky & Fe-stained, in alt soft rhy.	BSD-22	.003	.32	234.5-243' core recovery 4.5'
250-260		9.3	93		BSD-23	nil	.34	
260-270		9.8	98		BSD-24	tr	.62	
270-280		9.9	99		BSD-25	tr	.10	
280-290		10.0	100	285-286' Frs w/green (Fe sulfate ?) & FeOx	BSD-26	.004	.28	
290-300		9.8	98	296-298' Shear w/FeOx, 10° to core axis	BSD-27	tr	.27	

Bottom: 300'

gg = gouge, crush (faulting)

andt, fresh rhy, fresh

" , alt " , alt

(++)	very much
(+)	much
(X)	some
(±)	little
(tr)	traces
(0)	none

gg	gouge
cr	crush
bx	breccia
py	pyrite
Au	gold
Ag	silver
dsmd	disseminated
rk	rock
w/	with
FeOx	iron oxide (limonite)
MnOx	manganese oxide

	fracture
smpl	sample
	mineralization (vein quartz, sulfides, limonite, etc.)
	fault (gouge, breccia, crush, shattering, etc.)

COOKE, EVERETT & ASSOCIATES, INC.

DIAMOND DRILL HOLE LOG Site Blue Sphinx mine Location Mineral Co., NV

Hole no. DDH-1 Alt. _____ Coord. N _____ E _____ Bearing S45°W Inclin. -45 Started Nov. 12, 1973

Finished Dec. 8, 1973 Logged by HRCooke, DKJordt Anal. by NV Assay Of

Remarks; abbreviations & symbols: Wireline drilling, assays by 4-Assay Ton fire assay, NV Assay Of.

Andt - andesite, rhy - rhyolite, alt - altered; Sid - silicified; z - zone; loc - local(ly); v - vein; q - quartz (over)

Run depth ft	Core recovery size	ft	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag	Notes
0- 5	NX	0	0	0	----				
5- 20		7	54	10	Andt & rhy, fresh to altered; old fill or slope rubble?				
20- 30		9.5	95	20	Andesite, altered: much soft, brown Fe-stained gouge, crush, breccia; local hard andt dikes & Sid z.s; loc much kaolinite, alunite?; loc black MnOx,	BDS-1	.005	.754	
30- 40		9.5	95	30	brown FeOx, ylw-green Fe sul--fate stain on partings(20-126 ft)	BSD-2	.009	.184	
40- 50		9.7	97	40		BSD-3	.008	.192	
50- 60		9.6	96	50	48-52' Andt dike? hard, little alt. 56' 6" Sid z; v.q.?	BSD-4	.004	.395	
60- 70		9.7	97	60	64-66' Gouge & crush	BSD-5	.006	.322	
70- 80		9.8	98	70		BSD-6	.005	.420	
80- 90		9.5	95	80		BSD-7	.005	.630	
90-100		9.9	99	90	85' Hornblende dike, 6" 87-89' Gouge 96-98' Andt dike, hard	BSD-8	.004	.535	
100-110		9.8	98	100	100-104' Hard, silicified z. 104-107' Much MnOx	BSD-9	nil	.33	
110-120'		9.7	97	110	114' Gypsum	BSD-10	tr	.22	
120-130		9.2	92	120	119-125' Blue-green gg, py, gypsum, rounded cr, pebbles	BSD-11	.002	.72	
130-140		9.3	93	130	125-126' Gg, red, sticky	BSD-12	nil	.28	
					Rhy, alt, lt-gray, quartz eyes to 1/4"(+), loc biotite, dsmd py (126-154').				
140-150		9.6	96	140	126-142' Gg & cr, grey 146-151' Sid, dsmd py	BSD-13	tr	.38	
150-160		9.4	94	150	151-154' Granulated, kaolinized, sheared, FeOx, MnOx	BSD-14	tr	.58	
160-170		9.7	97	160		BSD-15	nil	.87	
					Rhy, ±fresh, q eyes, loc biotite, aphanitic ground-mass, dark inclusions loc), py crystals				
170-180		9.7	97	170	dsmd to 1 mm dm, ±2% of rk volume; loc gg & cr zs; py or limonitized partings w/loc actinolite.(154-300').				
						BSD-16	nil	.87	

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

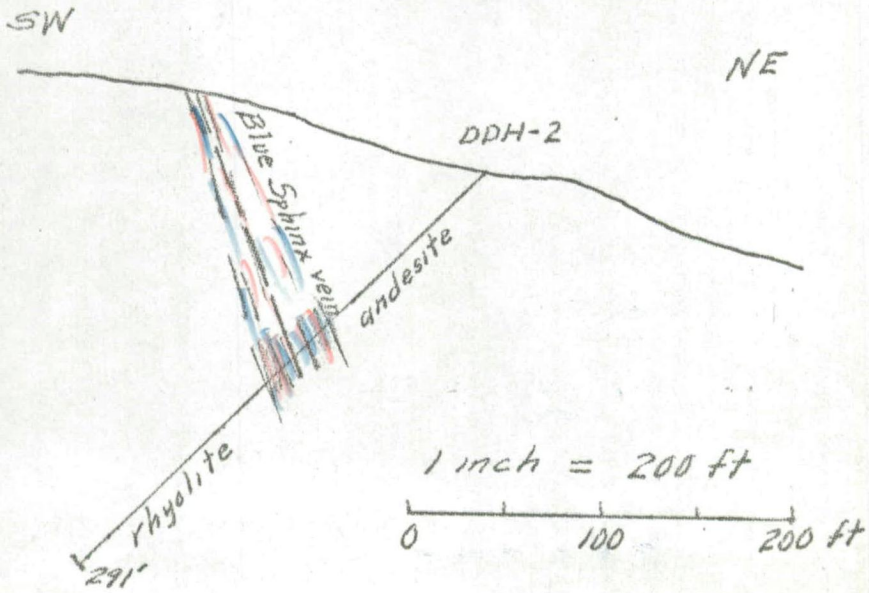
P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

January 10, 1974

NARRATIVE REPORT FOR DECEMBER 1973, BLUE SPHINX DRILLING
DOCKET NO. OME-6886, CONTRACT 14-08-0001, NO. 2312

December	Drilled Depth, feet	
3- 4	123-198	Hole DDH-1: At 198 ft hole too tight to continue drilling NX, so had to reduce to BX.
5	198	Cased hole to 198'.
6	198-253	Mislatch on last run, pulled rods.
7- 8	253-300	Bottom of DDH-1.
11-14		Rebuilt most of drill.
15		DDH-2: moved drill on to pad, drilled deadman holes.
18	0- 20	Rock bit drilling; set casing.
19-21	20-107	Hole getting tight; on 21st broke mainshaft in drill.
22-24		Changed to smaller OD NX rods, solved binding problem.
26	107-112	Changed to smaller NX rods, drilling going good.
27-31	112-291	Bottom, DDH-2,



DDH LOG Site Blue Sphinx mine Location Mineral Co., Nevada Hole no. DDH-4 Page 2 of 2

Run depth ft	Core recovery size	feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag	Notes
180-190	NX	9.5+	95+	180'		BSD-118	.006	.08	
190-200		8.0	80		194' Rhy ppy, py, fresh, hard - 6" fragment?	BSD-119	.009	.18	
200-210		8.5+	85+	200'		BSD-120	tr	.007	
210-220		9.5+	95+	100'	212-213' Gg, gray, 10° to core.	BSD-121	.230	nil	
220-230		9.5+	95+		Rhy ppy, alt, 220-297': clay alt(X), py dsmd(±); soft, crumbly, many fr gg; loc rusty lim & gyp(X), black, pitchy MnOx? patches(Xloc) in clay semas on alt part-ings; fr z probably at low angles to core, w/bx, gg, cr.	BSD-122	.008	.19	
230-240		9.5	95			BSD-123			
240-250		9.5+	95+		222' Rhy ppy fragment, py in fresh, striated cubes.	BSD-124	nil	.33	
250-260		9.5	95	250'	219-245' Soft, fr, gg, cr(x). 245-268' Rhy ppy, hard, solid.	BSD-125			
260-270		9.5	95		268-297 Fr z, gg, cr, lim(+). 270' MnOx(+).	BSD-126			
270-280		9.5	95			BSD-127	.008	.38	
280-290		9.5	95			BSD-128			
290-297		6.6	95			BSD-200	~~nil~~ .005	~~1.60~~ .16	
297-306		8.6+	95+	300' 300'	Rhy ppy, fr z, 297-345': fr z at 15°± to core axis. Alternating: (1) hard, fresh rhy; py dsmd(X-tr); partings(joints?, fr?) at 15° to core; (2) fr gg, bx, cr w/rusty lim (X-+), Sin & q vlts(locX), py dsmd(X-tr) partly Ox to rusty lim on fr; thin black MnOx (?locX) on seams.	BSD-130			
306-312		5.4	90			BSD-131			
312-316		3.8+	95+			BSD-132			
316-320		3.6	85		297-306' (1) rhy ppy.	BSD-133			
320-330		8.5	85		306-312' (2) fr z.	BSD-134			
330-340		9.5+	95+		312-316' (1) 316-322' (2)	BSD-135			
340-345 bottom		3.7	75		322-345' (1), loc (2).	BSD-136			
				350'					

Abbreviations & Symbols (cont.)

- andesite, fresh
- andesite, altered
- rhyolite, fresh
- rhyolite, altered

DIAMOND DRILL HOLE LOG Site Blue Sphinx mine Location Bovard dist., Mineral Co. Nev.
Hole no. DDH-4 Alt. Coord. N E Bearing S30°W Inclin. -57 Start Jan. 17, 1974
Finish Jan. 28, 1974 Depth 345' Logged by JPRowoski, HRCooke Anal. by Nevada Assay Office
Remarks; abbreviations & symbols: See below under Notes. Wireline drilling, assays by 4 AT charge.

Run depth ft	Core recovery size	feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag
0- 14	rock bit	0	0		Overburden			
14- 20	NX	5.4	90		Andt, alt, 14-60': soft, shattered, fr(+), kaolin-montmorillonite (&	BSD-101	nil	.29
20- 30		9.0	90		ser?) alt; py casts & lim(tr-+); FeOx & MnOx stains(X); q vlts(±)filling	BSD-102	nil	.15
30- 40		9.5	95		fr; several strong shear z w/gg, bx, cr & Fe-MnOx.	BSD-103	nil	.37
40- 50		9.5+	95+			BSD-104	nil	.19
50- 60		9.5	95 50'			BSD-105	.007	.05
60- 70		9.5	95		Andt, alt, 60-161': clay & ser alt (X); Sin(±-+) as replacement q, q druses in vugs & fr-filling vlts; rk	BSD-106	.008	.17
70- 80		9.5	95		alternating hard, Sid & soft, non-Sid; py dsmd, fine-grained(±-X)partly to	BSD-107	.064	.22
80- 90		9.5	95		rusty lim(X), jar(locX), gyp(loc±); fr &v(+) probably at low angles to core,	BSD-108	.097	.23
90-100		9.5	95		w/bx, cr & gg(+), q vlts(locX), lim box--works(locX)tan-rusty, spongy, cellular.	BSD-109	.007	.09
100-110		9.5	95 100'			BSD-110	.008	.27
110-120		9.5+	95+			BSD-111	.055	.11
					124' 1/4" pitchy lim & q, 15° to core.			
120-130		9.5+	95+		126-139' Gg & cr(++).	BSD-112	.074	.09
130-140		9.5+	95+			BSD-113	.016	.16
140-150		9.5+	95+			BSD-114	.007	.51
150-161		8.5	85 150'			BSD-115	.052	.41
161-170		8.6+	95+		Rhy ppy, alt, 161-220': q eyes(X); clay alt, Sin, ser?; fr(X-++); py	BSD-116	.046	.41
170-180		9.5+	95+		dsmd(X); loc rhy ppy fragments, rounded, fresh, hard(++), py(X).	BSD-117	.002	.40
					161-188' Gg & cr(++).			

Notes

Abbreviations

Ag	silver
alt	alteration
andt	andesite
Au	gold
bx	breccia
cr	crush
dsmd	disseminated
Femag	iron-magnesium bearing mineral
FeOx	iron oxides
fr	fracture
gg	gouge
jar	jarosite
lim	limonite
loc	local
MnOx	manganese oxides
ppy	porphyry
py	pyrite
q	quartz
rhy	rhyolite
rk	rock
ser	sericite
Sid, Sin	silicified, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone
(++)	very much
(+)	much
(X)	some
(±)	little
tr	trace
(0)	none
⊿⊿⊿	breccia
	vein quartz
——	contact
——	gouge, crush (faulting)
——	mineralization (sulfides, lim)

DDH LOG Site Blue Sphinx mine Location Mineral Co., NV Hole no. DDH-3 Page 2 of 2

Run depth ft	Core size	recovery feet	recovery %	Ft	Rock description	Smpl no.	Analyses Au oz/t	Analyses Ag	Notes
180-190	NX	9.5	95+	180'	186-190' Milled bx gravel & muddy gg(+).	BSD-87	.080	.11	Abbreviations & Symbols(cont.)
190-200		9.5	95+		188-190' FeOx & MnOx(++). Rhy, 195-241': hard, alt(±)-tr), decreasing downhole - mainly minor chlorite & ser; fr & dsmd py decreasing downhole (± - 0); loc thin gg.	BSD-88	.050 -.003	.54 .03	andesite, fresh
200-210		9.5		200'		BSD-89			andesite, altered
210-221		10	95		210-241' Py dsmd (tr-0).	BSD-90			rhyolite, fresh
221-231'		9.5	95+			BSD-91	.045 -.003	nil -.03	rhyolite, altered
231-241' Bottom		9.5	95+			BSD-92			

250'

300'

350'

DIAMOND DRILL HOLE LOG Site Blue Sphinx mine Location Bovard dt, Mineral Co., NV Page 1 of 2

Hole no. DDH-3 Alt. Coord. N E Bearing S40W Inclin. -45° Start Jan. 3, 1974

Finish Jan. 16, 1974 Depth 241' Logged by JPRogowski, HRC ooke Anal. by Nevada Assay Office

Remarks; abbreviations & symbols: Wireline drilling; assays by 4 A.T. charge; abbreviations, see below under Notes. Blue: Rocky Mtn. Geochemical Corp. AA.

Run depth ft	Core recovery size	feet	%	Ft	Rock description	Smpl no.	Analyses Au oz	Ag
0- 13	rock bit	0	0		Overburden			
13- 20	NX	6.7	95		Andt, alt; 13-71': Femags soft, greenish/ due clay alt (kaolin, montmorillonite?) & ser; FeOx & MnOx stains; py casts(X).	BSD-70	.031	.27
20- 30		9.5+	95+		14.5-16.2' Gg 3", then crush to 16.2'.	BSD-71	.005	.36
30- 40		9.5+	95+		30' Gg 2"	BSD-72	.146 -.003	.13 -.03
40- 50		9.5+	95+			BSD-73	.046	.24
50- 60		9.0	90	50		BSD-74	tr	.31
60- 70		9.0	90		66' Gg, putty, 1".	BSD-75	.105	nil
70- 80		9.0	90		Andt, alt, fault z, 71-163': soft & punky; bx & gg(+); FeOx & MnOx stain(tr-+); loc Sid; py dsmd 72-104',	BSD-76	.003 -.003	.30 -.03
80- 90		9.5+	95+		142-160'; gyp(tr-+ loc); vugs w/ q druses(X loc).	BSD-77	tr	.025
90-100		9.5+	95+			BSD-78	.004	.30
100-110		9.5+	95+	100	110-114' Sin(+); py dsmd(+).	BSD-79	.047	.13
110-120		9.0	90			BSD-80	.034	.03
120-130		9.0	90			BSD-81	nil	.25
130-140		9.5	95			BSD-82	.049	.22
140-150		9.5+	95+			BSD-83	.103	.03
150-160		9.5+	95+	150	Rhy, alt, fault z, 163-195': bx, cr & gg(X-+); soft, crumbly, clay alt less downhole; montmorillonite? on	BSD-84	.010	.08
160-170		8.5	85		partings(locX); py dsmd; rusty lim stain(X), black pitchy MnOx or lim on partings(locX).	BSD-85	.034	.33
170-180		9.5+	95+			BSD-86	nil	.42

Notes

Abbreviations

Ag	silver
alt	alteration
andt	andesite
Au	gold
bx	breccia
cr	crush
dsmd	disseminated
Femag	iron-magnesium-bearing mineral
FeOx	iron oxides
fr	fracture (-ing)
frgt	fragment
gg	gouge
jar	jarosite
lim	limonite
loc	local
MnOx	manganese oxides
py	pyrite
q	quartz
rhy	rhyolite
rk	rock
ser	sericite
Sid, Sin	silicified, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone
(++)	very much
(+)	much
(X)	some
(±)	little
(tr)	traces
(0)	none
ΔΔΔΔ	breccia
▬▬	vein quartz
— - -	contact
——	gouge, crush (faulting)
═══	mineralization (sulfides, lim)

COOKE, EVERETT & ASSOCIATES, INC.
CONSULTING GEOLOGISTS

421 COURT STREET
THIRD FLOOR

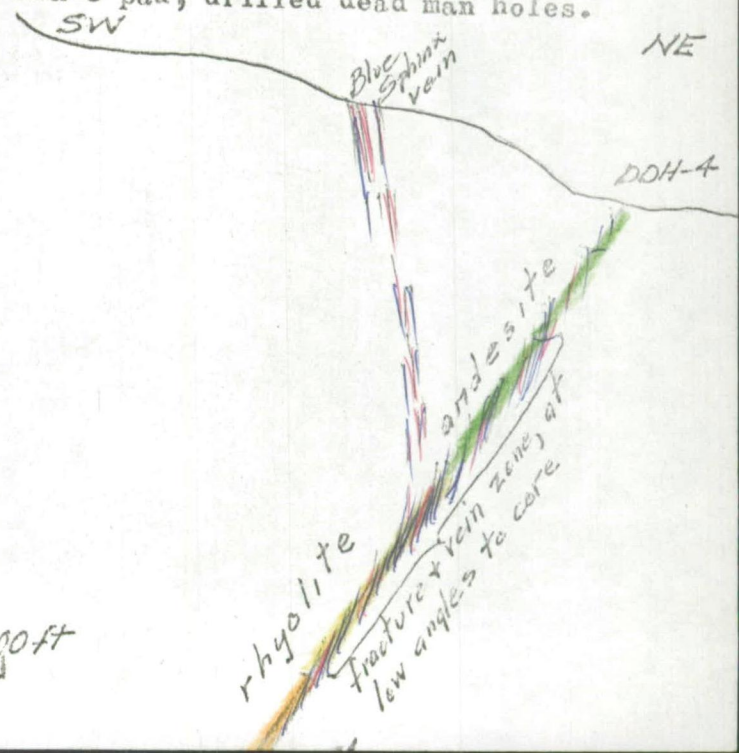
P. O. BOX 2992
RENO, NEVADA 89505, U. S. A.

TELEPHONE (702) 323-8254

February 10, 1974

NARRATIVE REPORT FOR JANUARY 1974, BLUE SPHINX DRILLING;
DOCKET NO. OME-6886, CONTRACT 14-08-0001, NO. 2312.

January	Drilled depth, feet	Bit size	
1 & 3			Pulled rods from DDH -2, moved to DDH -3 pad.
8			Set drill up, drilled dead man holes.
9	0-26	Rock bit, NXWL	Drilled 0-13' through overburden with rock bit, cased, then drilled 13-26' with NXWL.
10	26-33	NXWL	Drill bearing went out.
11	33-85	"	
12			Equipment repair.
14-16	85-241	"	Bottomed DDH-3.
17			Moved drill to DDH-4 pad.
18	0-14	Rock bit	Set up, drilled dead man holes, drilled 14' with rock bit, set casing.
19-28	14-345	NXWL	Bottomed DDH-4.
29			Moved drill to DDH-5 pad, drilled dead man holes.



COOKE, EVERETT & ASSOCIATES, INC.
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TELEPHONE (702) 323-8254

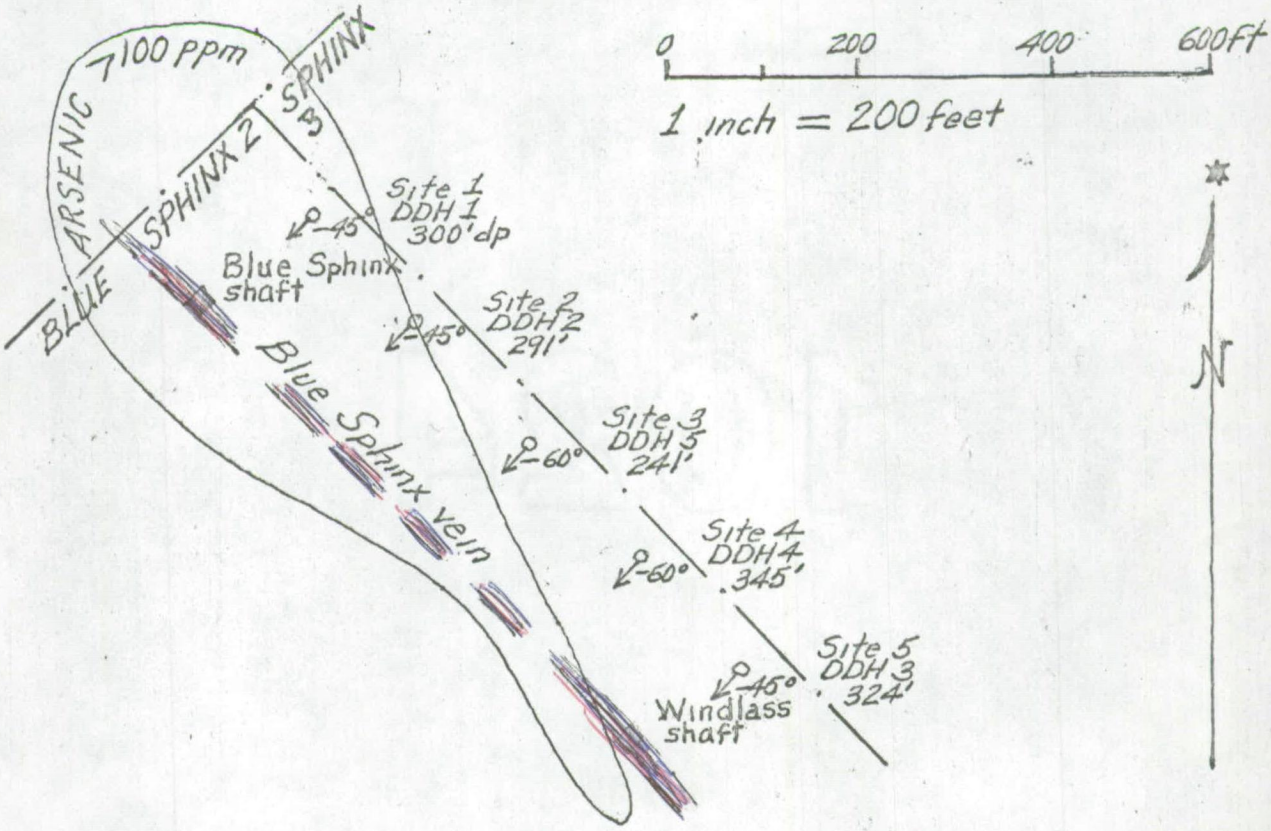
March 18, 1974

OPERATOR'S FINAL REPORT

1. OME No.: 6886
   Contract No.: 2312
   Name of Operator: Blue Sphinx, Inc.
   Name and location of property: Blue Sphinx Mine, Mineral County, Nevada

2. Summary of Project

Exploration work on the project was started on November 9, 1973 and completed on February 11, 1974. The work done consisted of drilling five diamond drill holes, as indicated below, totalling 1,501 feet of diamond drilling for $20,000.00 contract cost.



3. Maps, cross-sections, and assay data have been submitted with the monthly reports (November 1973 to February 1974).

The Blue Sphinx mine is in the Bovard mining district which, during 1908-1923, had a recorded production of about $400,000 in gold, silver and copper. Early shipments averaged $143 per ton. Probably much production was high-graded, and never recorded.

DIAMOND DRILL HOLE LOG Site #3 Blue Sphinx mine Location Mineral[illegible], Nevada

Hole no. DDH-5 Alt. ____ Coord. N ____ E ____ Bearing 345° Inclin. -60° Start Jan. 29, 1974

Finish Feb. 11, 1974 Depth 324' Logged by HRCooke Anal. by Nevada Assay Office

Remarks; ~~abbreviations & symbols~~ Wireline drilling; 4 AT fire assay charges; see below under Notes for abbreviations & symbols.

Run depth ft	Core recovery size	feet	%	Rock description	Smpl no.	Analyses Au oz	Ag
0- 13	rock bit	0	0	Overburden.			
13- 23	NX	10	100	Andt ppy, alt, weathered, 13-30': plagioclase phenocrysts alt to clays	BSD-137	.009	.18
23- 30		6.0	85	& ser;shattered, fr zs(Xirg);py(tr) w/ lmt coatings, py casts(X)w/ rusty lim, rusty lim(X-+)on seams & vlts, blk	BSD-138	.007	.08
30- 40		9.0	90	MnOx(±)on partings;green Fe sulfates (±)on partings.	BSD-139	tr	.20
40- 50		9.5	95	Andt ppy, alt, 30-67': plagioclase lathes alt to clays & ser, & honeycombed w/ py(loc+) & py casts, & lim pseudo-	BSD-140	.002	nil
50- 60		9.5+	95	morphs after py, & empty py casts (+ loc);Sid & hard(loc), q vlts(±)w/rusty & black	BSD-141	.043	.16
60- 67		7.0	100	lim cores; fr zs(Xirg);rusty lim(X) & blk MnOx(X) on partings.	BSD-142	.020	.35
67- 77		9.5	95	30-32' Py cubes dsmd(X)in unoxidized andt ppy.	BSD-143	.006	.41
77- 87		9.5	95	Andt ppy, alt, fr z, 67-94': mostly soft, friable, w/gg, bx(irg+)&rusty limstn(x) & box-	BSD-144	.007	.28
87- 94		6.5	93	works on vlts(±);jar(loc±)w/py casts;waxy alunite? coatings on fr(locX).	BSD-145	tr	.17
94-104		9.4	95	86-87' Wet, mucky. 91-94' Py dsmd(X).	BSD-146	.010	.17
104-109		4.0	80	Andt ppy, alt, 94-109': Mostly hard, plagioclase lathes argillized & oxidized;Sin(locX);py dsmd (locX); gg&bx(locX);rusty lim vlts w/ gypsum(X).	BSD-147	.005	.20
109-119		6.0	60	107' Reddish phenocrysts or fragments(±) - jasper?	BSD-148	.004	.34
119-129		8.0	80	Andt ppy fr z, 109-157': mostly soft & broken; clay & ser alt(X);gg&bx, grey(+); v q or Sid fragments, rounded(milled?)(loc±)to 2";	BSD-149	tr	.47
129-139		8.0	80	alunite? coatings(X)on partings & sh shears.	BSD-150	.008	.32
139-149		7.5	75	129' Q vlt, 6" thick. 130-132' Several slickensides, in black gg at 45° to core.	BSD-151	.008	.28
149-157		6.0	75	Rhy ppy, alt, fr z, 157-299': Grey gg&bx(+), soft, plastic to friable;clay	BSD-152	nil	nil
157-167		7.5	75	alt(+);white alunite? on frs;q eyes (+)to .3"diameter;thin black gg(loc+);	BSD-153	.004	.15
167-177		7.5	75	hard Sid&pyd fragments to 4"(locX) rounded - milled?;py dsmd(±-X).	BSD-154	tr	.44
177-187		8.5	85		BSD-155	nil	nil

Notes

Abbreviations

Ag	silver
alt	alteration
andt	andesite
Au	gold
bx	breccia
cr	crush
dsmd	disseminated
Femag	iron-magnesium bearing mineral
FeOx	iron oxides
fr	fracture
gg	gouge
irg	irregular
jar	jarosite
lim	limonite
loc	local
MnOx	manganese oxides
ppy	porphyry
py	pyrite
q	quartz
rhy	rhyolite
rk	rock
ser	sericite
Sid, Sin	silicified, -ion
smpl	sample
v	vein
vlt	veinlet
w/	with
z	zone
(++)	very much
(+)	much
(X)	some
(±)	little
tr	trace
(0)	none

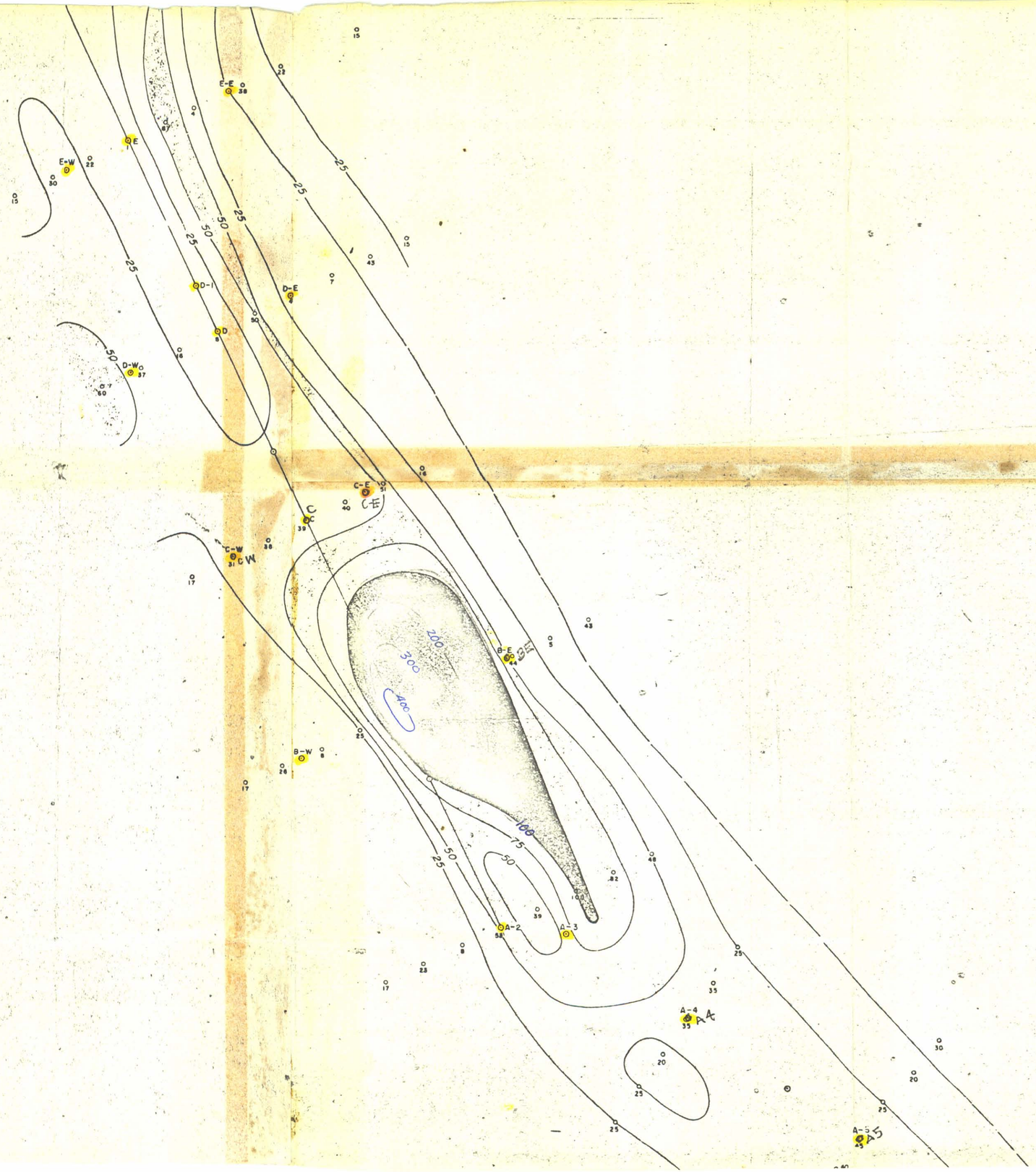
breccia
vein quartz
contact
gouge, crush (faulting)
mineralization (sulfides, lim)

DDH LOG Site Blue Sphinx mine Location Mineral Co., Nevada File no. DDH-5

Run depth ft	Core size	recovery feet	recovery %	Ft	Rock description	Smpl no.	Analyses Au oz	Analyses Ag	Notes
				180'					
187-197	NX	9.5	95		157-200' Pink, hard phenocrysts or inclusions(X) - jasper?, in Sid portions of core.	BSD-156	.003	.29	
197-213		15.0	94	200'	195-299' Pink stain(Xloc) - hem? 270-299' Black patches(±)MnOx? 274' Py, fine-grained, on frs.	BSD-157	tr	.10	
213-224		10.0	91		275-280' Black patches, sooty, compact(±), some w/foils(locX)bronze sheen & curved cleavage, some in cream-colored	BSD-158	.013	.19	
224-234		9.5	95		waxy mineral - clay w/adsorbed hem? 280-281' Sid, hard.	BSD-159	tr	.14	
234-244		9.5	95		285-299' Black patches(X), most w/ fine-grained py(tr-X), loc in cream-colored mineral.	BSD-160	.006	.11	
244-254		9.5	95			BSD-161	.002	nil.	
				250'					
254-264		9.5	95			BSD-162	.010	.53	
264-274		9.5	95			BSD-163	.009	.32	
274-284		9.5+	95+			BSD-164	tr	.32	
284-294		10.0	100			BSD-165	tr	.25	
294-299		4.8	96		Rhy ppy, alt, 299-324': Clay alt(Xloc); hard(+)Sin(locX);white alunite? & yellow	BSD-166	tr	.82	
299-309		9.5	95	300'	jar coatings on partings(X)increasing toward bottom;black patches(±) - inclusions?, w/fine-grained py(tr)loc in cream-colored	BSD-167	tr	.06	
309+319		9.5	95		mineral(as from 285-299');rusty lim (loc tr)from py;fr & partings at 0°-15° to core	BSD-168	.005	.30	
319-324		4.7	94		axis.	BSD-169	tr	.30	
Bottom					309' Inclusion, dark green, chloritized?, w/py dsmd(tr). 321-324' Green stain(X) - Fe sulfate?, & rusty lim from py(±).				
				350'					

Abbreviations & symbols (cont.)

- andesite, fresh
- andesite, altered
- rhyolite, fresh
- rhyolite, altered



ATTACHMENT 3g. 3

GEOCHEMICAL MAP

SO. BOVARD DISTRICT

MINERAL COUNTY, NEVADA

CONTOUR INTERVAL = 25 ppm As

Scale: 1" = 200' April, 1966

Prepared for DON R. LINK &
GRIFFITH ANNESLEY

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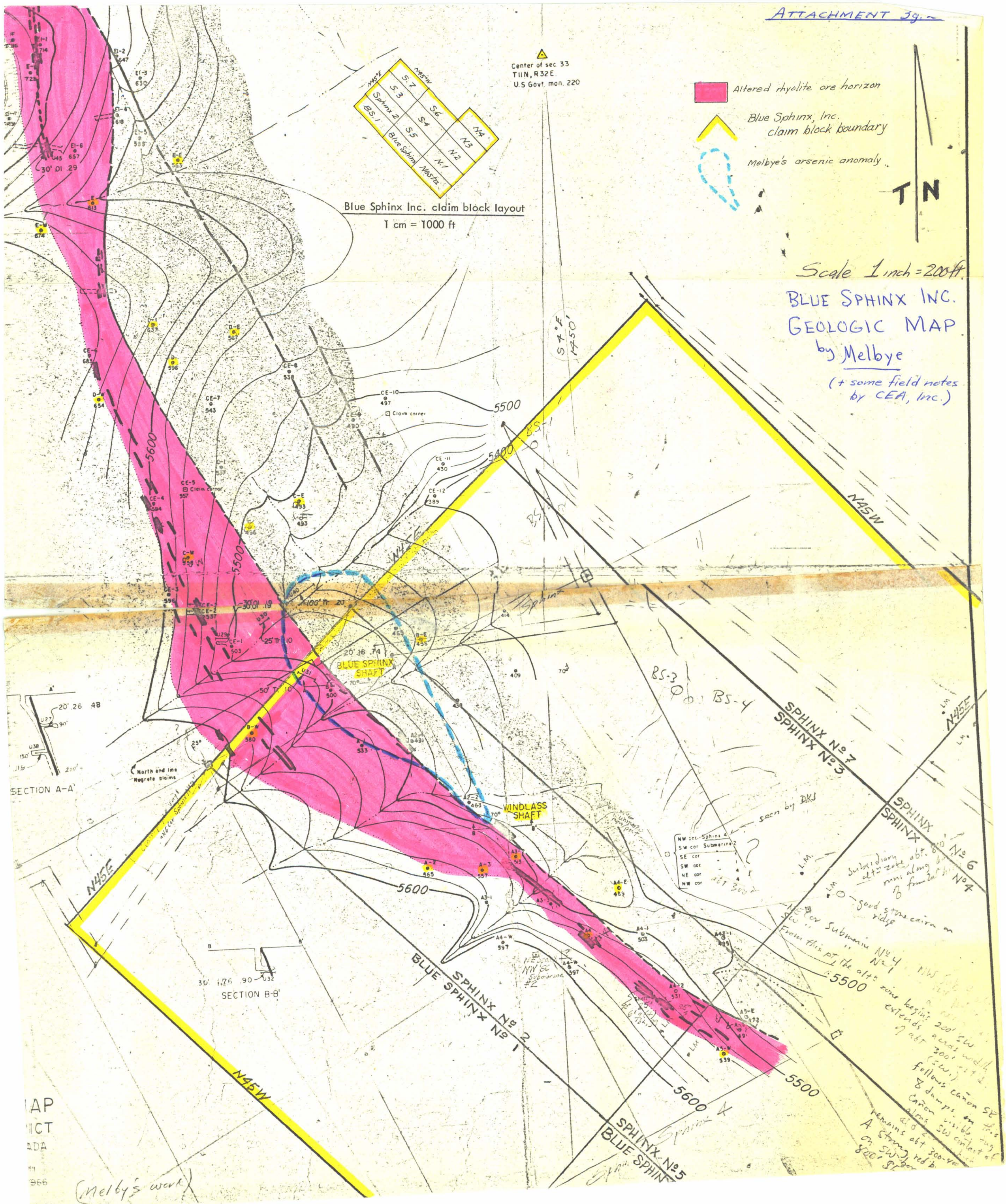
ATTACHMENT 39.-