MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2316 Docket No. OME-6907

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- [ ] Withdrawn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
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

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

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

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

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

72195-65

7-5-77

Dear Hal,

Enclosed are 2 copies of the lease agreement. I did not include the 2 copies of my contracts with you, as you have those. If there is anything else you need, let me know.

Best regards
Don

MINING LEASE AND OPTION TO PURCHASE

DONALD E. JUNG, KATHRYN JUNG

and

NEWPASS RESOURCES, INC.

EXHIBITS

A - Mine Property
B - OME Exploration Contract No. 2307
C - OME Exploration Contract No. 2316
D - Mine and Mill Equipment
E - Homesite Reservation

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MINING LEASE AND OPTION TO PURCHASE

THIS AGREEMENT OF LEASE AND OPTION is made this 1st day of January, 1977 by and between DONALD E. JUNG and KATHRYN JUNG (hereinafter referred to as "Lessor") and NEWPASS RESOURCES INC., a Nevada corporation (hereinafter referred to as "Lessee").

RECITALS

A. Lessor is the owner of eight patented and nineteen unpatented lode mining claims and one patented millsite, all located in the New Pass Mining District, Lander and Churchill Counties, Nevada, more particularly described on Exhibit A attached hereto and made a part hereof, together with all water and water rights and pipelines existing in connection therewith or appurtenant thereto and all tenements, hereditaments, easements, rights of way, rights or uses, servitudes and appurtenances thereto belonging or in any way appertaining and whether or not described in Exhibit A hereto. All the foregoing shall be referred to hereinafter collectively as the "Mine Property" and the minerals thereon or therein shall be referred to as the "Minerals" or "Leased Substances".

B. Lessor now desires to lease the Mine Property to Lessee upon the terms and conditions set forth herein. Lessor further agrees to grant Lessee an exclusive option to purchase the Mine Property.

C. Lessee desires to acquire the Mine Property from Lessor in return for certain monies, rents, and royalties as hereinafter set forth.

Therefore, in consideration of the mutual rights and obligations enumerated herein, the parties have agreed as follows:

SECTION ONE

MINING LEASE

1.1 Initial Term. Upon the execution of this Agreement, Lessor leases the Mine Property to Lessee for an initial period (the "Initial Term") of Four (4) years from the date hereof.

1.2 Extension of Term. Lessee shall have the option to extend the term of this Lease for an additional period (the "Option Term") of Four (4) years from the date of expiration of the Initial Term. This right to extend shall be exercised by giving written notice to Lessor at least Thirty (30) days prior to expiration of the Initial Term.

This Lease shall be further extended from year to year (the "Extended Term") following the Option Term so long as there are Commercial Productions, as hereinafter defined, or Operations, as hereinafter defined. Lessee shall give Lessor written notice of its intent to continue Commercial Productions or Operations beyond the Option Term, before the end of the Option Term and the end of every year thereafter.

For purposes of this Lease "Commercial Productions" shall mean the output from the Mine Property of the Leased Substances, or any of them, as (considering the cost of production mining and the price and quality of such Leased Substances and costs of processing the same) would commercially and economically warrant continuance of such mining; and "Operations" shall mean preparing, drilling, assaying, developing, mining, milling, working, reworking or repairing of the Mine Property or any mine situate therein or the equipment relating thereto to obtain or to attempt to obtain or increase production of Leased Substances, or any of them, or conducting of geologic, development or feasibility studies pertaining to the Mine Property or locating and arranging financing for the purposes of any of the foregoing.

1.3 Lease Payments. Lessee agrees to pay the following consideration for this Lease:

1.31 Superior Crosscut. To pay to Lessor, as and by way of repayment to Lessor of expenditures incurred by Lessor in respect of that certain crosscut (the "Superior Crosscut") proceeding east approximately 1400 feet from the 490 foot level of the Thomas W. Shaft to intersect the Superior Vein approximately 320 feet below the old Superior Vein workings provided this Lease shall not have been terminated or surrendered pursuant to Clause 4 hereof prior to the payment date:

1.311 The sum of FIVE THOUSAND ($5,000.00) on the earlier of (i) the date of approval by all authorities having jurisdiction, of the underwriting pursuant to which the Lessee and certain other promoters intend to finance the development of the Mine Property, which underwriting is currently in the process of being approved or (ii) February 15, 1977;

1.312 On or before the 180th day after February 15, 1977 the sum of FIVE THOUSAND ($5,000.00) Dollars;

1.313 On or before February 15, 1978 the sum of TWENTY THOUSAND ($20,000.00) Dollars;

1.32 Delay Rentals. If Commercial Productions or Operations shall not be in progress on or before March 15, 1978, the Lessee may pay or tender to the Lessor on or before April 1, 1978, a rental of $1,000.00 Dollars (the "Delay Rental") as the rental for the next ensuing calendar month and similarly during successive calendar months of the Initial, Option and/or Extended Term, the Lessee may make like rental payments on or before the first day of such successive calendar months if Commercial Productions or Operations shall not then be in progress; provided however, if at any time within any calendar month of the Initial, Option or Extended Term, Commercial Productions or Operations shall have been conducted but are discontinued so that there is neither Commercial Productions nor Operations being conducted, then and so often as the same may happen this Lease shall not terminate but shall continue in effect if the Lessee on or before the first day of the calendar month next following such discontinuance shall have resumed Commercial Productions or Operations or shall have commenced or resumed the payment or tender of the Delay Rental. If Commercial Productions or Operations are interrupted or suspended by reason of Force Majeure, as defined in Section Ten hereof, this Lease shall not terminate during any such period of Force Majeure and the time of such interruption or suspension shall not be counted against the Lessee and Commercial Productions and Operations shall be deemed to be in progress during the whole of such period of interruption or suspension.

Notwithstanding anything herein contained or implied this Lease shall not terminate by reason of Commercial Productions or Operations not being in progress or the Delay Rental not having been paid or tendered, as aforesaid, but this Lease shall in all such events continue unless the Lessor shall have given the Lessee notice pursuant to Section Six hereof and the Lessee shall have failed to take the requisite action within the time set forth in said Section Six.

1.33 Royalties. To pay the Lessor a royalty on net smelter returns for all ore sent to smelter and on the market value (FOB the Mine Property) immediately prior to processing for any ores processed in any manner other than by smelter (the net smelter returns and market value as aforesaid herein called "Returns"), as follows:

6% of Returns on all ores up to $50.00 per Ton assayed ore

7% of Returns on $50.01 to and including $55.00 per Ton assayed ore

8% of Returns on $55.01 to and including $60.00 per Ton assayed ore

9% of Returns on $60.01 to and including $70.00 per Ton assayed ore

10% of Returns on $70.01 to and including $80.00 per Ton assayed ore

11% of Returns on $80.01 to and including $90.00 per Ton assayed ore

12% of Returns on $90.01 to and including $100.00 per Ton assayed ore.

Such royalty shall be paid within Fifteen (15) days after receipt of net smelter returns by Lessee in respect of all ore sent to smelter and within Thirty (30) days after the ore concentrate, metal or processed material is removed from the Mine Property for processing into the final product in respect of ores processed in any other manner than by smelter. For purposes of this clause, "smelter" shall mean any facility not situate on the Mine Property which processes ore and purchases the product thereof; "net smelter returns" shall mean the gross smelter returns received less reasonable charges for smelting and transportation (provided all charges paid to entities with whom the Lessee is dealing at arm's length shall be deemed reasonable) and no other charges or expenses whatsoever; and "Ton" shall mean 2,000 pounds. Lessor may at any time make a written election to receive royalties in the form of gold bullion or other mineral product then being recovered;

1.34 Assumption of OME Loan. To assume responsibility and pay for during the term hereof the Lessor's liability under its outstanding loan with the Office of Minerals Exploration, United States of America Department of The Interior, not to exceed SIXTY FIVE THOUSAND ONE HUNDRED AND NINETY ($65,190.00) Dollars in accordance with the provisions of those certain Exploration Contracts identified as

Contract No. 2307, Docket OME-6699, and
Contract No. 2316, Docket OME-6907,

copies of which are attached hereto as Exhibits B and C respectively. The Lessor warrants and represents that said Exploration Contracts have not been amended, are in good standing and that the Lessor has completed all work required by the Lessor to be performed thereunder. The Lessee acknowledges and agrees that the payments to be made under this Section 1.34 are in addition to and not in reduction of the royalty payable to Lessor pursuant to Section 1.33 hereof.

1.35 Equipment Rental. To pay the Lessor during the continuance of this Lease for use of the Lessor's mining equipment located on the Mine Property as set forth in Exhibit D hereto, an aggregate amount not in excess of Ten Thousand ($10,000.00) Dollars which shall be paid to the Lessor out of Commercial Productions at the rate of One ($1.00) Dollar per ton of ores produced payable at the times set forth in Section 1.33 hereof for payment of royalty; PROVIDED THAT if this Lease shall be terminated prior to payment in full of the aggregate amount above set forth the obligation of the Lessee in respect of such payment shall also cease. THE PARTIES EXPRESSLY COVENANT AND AGREE THAT any and all additional underground mining equipment in the nature of rail, air and water pipes, wiring and timbering furnished by the Lessee for mining purposes shall upon termination of this Lease be left on the Mine Property and shall become and be deemed to become the property of the Lessor, AND THAT all surface equipment installed or supplied by the Lessee (including but not limited to, trucks, light plants and welding equipment, camp trailers, cats, loaders and crushers) and all additional underground mining equipment excepting that set forth above shall remain the property of the Lessee and may be removed by the Lessee within Sixty (60) days after termination of this Lease;

1.36 Purchase of Woodworth Interest in Mill. If Lessee shall use the mill on the Mine Property, Lessee agrees to purchase the interest of Bud Woodworth ("Woodworth") in the existing mill facilities for the sum of Eight Thousand ($8,000.00) Dollars to be paid to Woodworth at the rate of Fifty (0.50¢) cents per Ton of ores produced from the Mine Property and processed through or by said mill in each calendar month, within Thirty (30) days of the last day of such calendar month, PROVIDED THAT other than payment to the said Woodworth for his interest in the said mill equipment the Lessee shall not be obliged to make any further payments for the use thereof, PROVIDED FURTHER THAT on termination of this Lease the interest of Woodworth so purchased and any additions or repairs to the mill made by the Lessee (which shall be deemed not to include any portable crushing plant or leaching plant brought or constructed on the Mine Property by the Lessee) shall be left on the Mine Property and shall become and be deemed to become the property of the Lessor.

1.4 Lessee's Work Obligations. Lessee agrees to complete on or before the 180th day after February 15, 1977, an initial drilling program (the "Initial Drilling Program"), on the Mine Property conducted in a diligent, careful and workmanlike manner and in compliance with the provisions of all Federal, State and local laws applicable to such operations, as follows:

1.41 Diamond drill 1,000 feet on the Thomas W.

Vein and 1,000 feet on the Superior Vein to test the downward extension of each vein;

1.42 Test existing dumps and development muck piles for leaching and gold content;

1.43 If in Lessee's opinion leaching appears feasible, to set up the piles and leach plant with Returns to be distributed at the times set forth in Section 1.33 hereof for payment of royalty as follows:

1.431 To the Lessor 10% of Returns by way of royalty;

1.432 To a Trust Fund (the "Trust Fund") to be set up by Lessee with a major bank, 10% of Returns;

1.433 To Lessee, the balance.

1.5 Lessee's Proposed Development Program. Lessee may, in its sole discretion initiate a large scale development program before or after completion of the Initial Drilling Program. If Lessee proceeds with a large scale development program, the Trust Funds shall be released to the Lessee. If Lessee determines not to proceed with a large scale development program, the Trust Funds shall forthwith be paid to the Lessor. It is the intention of the Lessee that a large scale development program conduct drilling such as would block out enough ore for Three (3) to Four (4) years production for purposes of proving and increasing mill production and in particular:

1.51 Upgrading the existing mill on the Mine Property to 50 ton capacity by improving existing crushing circuit;

1.52 Drifting on Superior Vein (200 ft.);

1.53 Underground drilling Thomas W. Vein (1,000 ft.);

1.54 Underground drilling on Superior Vein (1,000 ft.);

1.55 Crosscutting on Superior Vein (100 ft.);

1.56 Raising on Superior Vein (320 ft.);

1.57 Sinking on Thomas W. Vein (200 ft.);

1.58 Drifting on Thomas W. Vein 2 levels

or otherwise as recommended by consulting geologist E.O.

Chisholm or other consulting geologist retained by the Lessee.

SECTION TWO

OPTION TO PURCHASE

2.1 Option. In further consideration of the royalties and covenants set forth herein, Lessor hereby grants to Lessee the exclusive and irrevocable right and option to purchase all the Lessor's right, title and interest in the Mine Property for the Option Purchase Price at any time during the Initial, Option or Extended Term of this Lease. The option shall be exercised by providing Lessor with written notice thereof.

2.2 Purchase Price. The purchase price (the "Option Purchase Price") for all the Lessor's right, title and interest in the Mine Property shall be FOUR HUNDRED THOUSAND DOLLARS ($400,000.00) cash, plus a royalty of one percent (1%) of all Returns for the life of the Mine Property payable at the times set forth in Section 1.33 hereof, and a one percent (1%) interest in all net proceeds derived from the sale or rental of the land for any purpose whatsoever and Lessor agrees to convey title to the Mine Property free of all liens, charges, encumbrances, taxes and assessments excepting those created by the Lessee, provided nothing in the foregoing shall permit Lessee to create any of the same unless in this Agreement elsewhere permitted. The term "Returns" shall refer to the net smelter returns of Section 1.33 hereof, and the leaching returns of Section 1.43 hereof. For greater certainty, Lessor hereby expressly acknowledges and agrees that upon payment of the Option Purchase Price the only royalty payable to the Lessor shall be the royalty of 1% of all Returns and 1% of all net proceeds hereinbefore referred to in this Section 2.2.

2.3 Reservation of Homesite. Lessor reserves to himself, his heirs, and assigns that five-acre parcel of surface area shown on Exhibit E attached hereto for residential use, with right of access to water and power. Lessee covenants and agrees not to conduct mining operations within one hundred (100') feet of the said five-acre parcel.

SECTION THREE

COST OF LIVING INCREASE

3.1 Delay Rentals and Option Purchase Price. Lessor and Lessee, recognizing that inflation can rapidly erode the

real value of certain sums promised in this Agreement, hereby agree that the Delay Rentals and the Option Purchase Price shall be automatically increased according to the cost-of-living formula outlined below.

3.2 Formula. The Delay Rentals and Option Purchase Price shall be subject to increase or decrease annually, commencing on the first anniversary date of this Lease and on each anniversary date thereafter, in the same proportion that the Consumer Price Index - U.S. Average (all items) of the U.S. Department of Labor, Bureau of Statistics (1967 = 100) increases above the "base index". The "base index" shall be the index for the month of December, 1976.

3.3 Decrease Limit. However, in no event shall the Delay Rentals and Option Purchase Price be decreased below the figures of $1,000.00 per month and $400,000.00 respectively because of any fall in the Consumer Price Index.

SECTION FOUR

MINING OPERATIONS

4.1 Lessee's Responsibilities. Lessee shall assume full and sole responsibility for mining operations conducted on the Mine Property.

4.2 Comply With Laws. Lessee shall perform its mining operations on the Mine Property in accordance with good mining practice, shall comply with the applicable laws and regulations relating to the performance of mining operations on all mining claims, and shall comply with the applicable Workmen's Compensation laws of the State of Nevada. Lessee specifically represents that it will:

4.21 maintain pillars above and below drifts and maintain shaft pillars in accordance with applicable federal and state mine safety standards;

4.22 sufficiently timber mined areas and repair and maintain timbering wherever necessary;

4.32 keep at all times the drifts, shafts, tunnels and other passages and workings in the Mine Property thoroughly drained and ventilated and clear of loose rock, rubbish and debris.

4.3 Lessee's Indemnity. Lessee shall indemnify and hold harmless the Lessor from any claims, demands, or liabilities arising out of Lessee's mining operations on the Mine Property. To that end, Lessee shall carry liability insurance in the

amount of One Million Dollars ($1,000,000.00). Lessee shall also carry fire insurance on the mill in the amount of $50,000.00. All such policies of insurance shall name Lessor and Lessee as co-insureds as their respective interests may appear.

4.4 No Encumbrances. Lessee shall keep the Mine Property free and clear from any and all mechanics' or laborers' liens arising from a labor performed on or material furnished to the Mine Property at Lessee's request provided Lessee shall have the right to contest any such liens in a diligent and timely manner.

4.5 Removal of Machines. Lessee may install, maintain, replace and remove during the term of this Lease any and all mining machinery, equipment, tools and facilities which it may desire to use in connection with its mining operations on the Mine Property. Upon termination of this Lease for any reason, Lessee shall have a period of Sixty (60) days following such termination during which it may remove all or part of the above items, except those items mentioned in Section 1.35 hereof, at Lessee's sole cost and expense.

4.6 Ore Samples. All ores mined in the Mine Property shall be blended at the discretion of the Lessee, and the mineral content of all ores mined and removed from the Mine Property shall be determined by the Lessee or by the mill or smelter to which the ores are shipped in accordance with standard sampling and analysis procedure. The Lessor shall have the right at any time to sample any working areas, stockpiles, mill concentrates or otherwise and to have a representative present at the time samples are taken and if the Lessee mills ores from the Mine Property the Lessor shall be furnished, at no expense to the Lessor, a portion of all samples taken for analysis. In the event of any dispute arising out of the assay of samples, royalty payments shall be based on assay results determined by an independent assay umpire selected by agreement of the parties and any charges or costs arising out of such independent arbitration shall be borne equally by the Lessor and Lessee.

4.7 After-acquired Claims. Any and all claims which may be staked by either party hereto during the term of this Lease falling in whole or in part within a One (1) mile radius measured from the centre point of the Mine Property shall be and be deemed to form part of the Mine Property.

SECTION FIVE

TERMINATION BY LESSEE

5.1 Notice. Notwithstanding anything herein contained the

Lessee may, at any time by written notice to the Lessor surrender this Lease and the term herein created and upon the expiration of Ninety (90) days from the date of such notice the Lessee shall thereby and thereupon be released from all obligations accrued or to accrue respecting the Mine Property excepting accrued royalty and mining obligations unpaid at date of termination for which specific provision is made in this Lease and the cost of any penalties or assessments levied upon Lessee during its operation by any state or federal agency to comply with any state or Federal Rule, regulation or law.

5.2 Lessor's Property. Upon termination of this Lease the Lessee shall deliver up the Mine Property and all equipment therein (other than as expressly excepted herein) in good working order and condition, reasonable wear and tear excepted and all rail, air and water lines and timber installed by the Lessee shall be left in place. All ore dumps and broken ore left underground shall become the sole property of the Lessor.

SECTION SIX

FORFEITURE BY LESSEE

6.1 Lessor Must Notify. In the event the Lessor considers the Lessee has not complied with any obligation hereunder or shall have done or omitted to do anything which would terminate this Lease, then and in every such case this Lease shall not terminate and the Lessor shall notify the Lessee in writing setting out particulars of the alleged omissions, act or breach and the Lessee shall then have Sixty (60) days after receipt of notice in which to perform or remedy or commence to perform or remedy all or any part of the omission, act or breach alleged by the Lessor. The giving of such notice shall be a condition precedent for the bringing of any action by the Lessor for any cause whatsoever and neither the service of said notice nor the doing of any acts by the Lessee intended to meet all or any alleged omission, act or breach shall be deemed an admission or assumption that the Lessee has failed to perform its obligations hereunder or did or omitted to do anything hereunder permitted to be done or omitted.

6.2 No Termination Without Notice. For greater certainty the Lessor expressly covenants and agrees that the non-payment of rentals, royalties or other monies referred to herein and payable by Lessee or any other breach by Lessee of the terms hereof or any omission by Lessee shall not result in the automatic termination of this Lease or the term hereby created and the Lessee shall in all events

be given written notice of any such non-payment, breach or omissions and shall have the opportunity to pay or remedy the same within the said Sixty (60) day period after notice above set forth.

6.3 Automatic Termination. However, should Lessee fail to perform its obligations within Sixty (60) days following notice of noncompliance, this Lease shall automatically terminate and Lessee shall proceed to quit the premises forthwith.

SECTION SEVEN

INSPECTION BY LESSOR

7.1 Lessor's Right to Inspect. Lessor, or his duly authorized agent or representative, shall be permitted to enter upon the Mine Property at all reasonable times for the purpose of inspection, but shall enter upon said property at Lessor's own risk and so as not to hinder unreasonably the operations of Lessee. Lessor shall indemnify and hold harmless the Lessee from any damage, claim or demand by reason of injury to Lessor or his agents or representatives on the Mine Property or the approaches thereto.

7.2 Keep Books of Account. Lessee agrees to keep accurate books of account reflecting the mining operations, and Lessor shall have the right, either personally or through a qualified accountant of his choice, to examine and inspect the books and records of Lessee pertaining to the mining, milling and shipping operations of Lessee; provided, however, that such inspections may not be made more often than once in every thirty-day period.

7.3 Lessee's Reports. Lessor shall be provided upon demand with copies of all the following: drill reports, geological, geophysical and geochemical reports and data, mine maps, survey notes, drawings of all mine workings, water well logs, assay reports and mine and leach operation production records, provided Lessor shall during the continuance of this Lease and at all times, if Lessee exercises the option to purchase contained in Section Two hereof, keep all of the foregoing data confidential. All such data shall be furnished to Lessor within Thirty (30) days of any termination by Lessee.

7.4 Lessor's Reports. Lessor shall make available to Lessee on demand copies of all drill reports, geological, geophysical and geochemical reports and data, mine maps, survey notes, drawings of mine workings, water well logs, assay reports and mine leach operation production records pertaining or related to the Mine Property and in Lessor's possession or

control. All such data shall be furnished to Lessee within Thirty (30) days of the purchase by Lessee of the Mine Property pursuant to Section Two hereof.

SECTION EIGHT

TAXES AND ASSESSMENT WORK

The Lessee agrees to pay all general ad valorem taxes and assessments assessed against the Mine Property and the mining operations conducted thereon and all taxes excepting Lessor's income taxes resulting from the Lessee's use thereof. The Lessee shall pay all other lawful public taxes and assessments, whether general, specific or otherwise, assessed and levied upon or against the said Mine Property together with any and all improvements placed upon such property. All such general ad valorem taxes and assessments and other public taxes and assessments shall be prorated as between Lessor and Lessee to the date of this Agreement. Lessor agrees to forthwith give Lessee notice of any such ad valorem taxes and assessments and other public taxes and assessments of which Lessor receives notice or which are brought to Lessor's attention. Lessee agrees to perform annual assessment work upon the claims at no expense to Lessor, to file proofs of assessment work with the Recorders of Churchill and Lander Counties, and to comply with all further state and federal rules, regulations and laws to maintain the claims in Lessor's name.

SECTION NINE

ASSIGNMENT

Lessor must consent in writing to the assignment or conveyance of Lessee's interest herein, excepting assignments from time to time in whole or in part to firms or corporations owned or controlled by the Lessee, Walter Shatto, Merdith Shatto and Louis Lees, or any one or more of them directly or indirectly. All of the terms, conditions and provisions hereof shall extend to, be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties hereto.

SECTION TEN

FORCE MAJEURE

If either party is rendered unable wholly or in part by force majeure to carry out obligations under this

Agreement, the party so unable to perform shall give to the other party prompt written notice of the force majeure with reasonably full particulars concerning it. Thereupon the obligations of the party asserting force majeure so far as affected by the force majeure shall be suspended during the continuance of force majeure. The party asserting force majeure shall use all possible diligence to remove the force majeure as quickly as possible. However, the requirement that any force majeure shall be removed with all reasonable dispatch shall not require the settlement of strikes, lockouts or other labor difficulties by either party contrary to its wishes. How such difficulty shall be handled shall be entirely within the discretion of the party asserting force majeure for such reasons. The term "force majeure" as used herein shall mean an act of God, strike, lockout, or other industrial disturbance, act of public enemy, war, blockade, riot, lightning, fire, storm, flood, explosion, governmental restraint, action by the United States Government or the government of any state regulating or interfering in any way with any of the parties' rights and obligations under this Agreement, unavailability of equipment (including, without limitation, railroad equipment and trackage) if such unavailability of equipment is not caused by the fault of the party asserting such event of force majeure, and any other cause whether of the kind specifically enumerated above or otherwise which is not reasonably within the control of the parties. The financial inability of either party to perform hereunder shall not be deemed a force majeure.

SECTION ELEVEN

WARRANTY OF TITLE AND CONDITION

11.1 Lessor's Warranty. Lessor expressly covenants that he has complete title and interest to the patented mining claims and millsite, pipelines, tenements, hereditaments, easements, rights of way, rights or uses, servitudes and appurtenances referred to in the recitals hereof; that the unpatented claims and any unperfected water rights are valid under the mining laws of the United States of America and the State of Nevada; that all of the foregoing are free from all liens, charges and encumbrances excepting claims pursuant to the OME Loan Exploration Contracts attached hereto as Exhibits B and C; and that the Lessor has and will continue to have the right to commit the same to this Agreement.

11.2 Lessee's Right to Inspect. Promptly after execution of this Agreement the Lessor shall allow Lessee, or Lessee's representative, to inspect all Certificates of Location, Affidavits of Assessment and Proofs of Work and other documents in Lessor's possession and which bear upon Lessor's

title, interest or ownership in the mining claims, mill sites, water rights, pipelines, tenements, hereditaments, easements, rights of way, rights or uses, servitudes and appurtenances referred to above. Lessee may then undertake such further investigation of the title and status of the foregoing as Lessee deems necessary. If the investigation should reveal defects in the title, Lessor agrees to proceed forthwith to cure said title defects to the satisfaction of Lessee; and in the event Lessor shall not do so, Lessee may cure such title defects and deduct all expenses incurred, including reasonable attorney fees, from any payments to be made hereunder.

11.3 No Restriction of Warranty. For greater certainty Lessor expressly covenants and agrees that Lessee's right to inspect the above mentioned documents in Lessor's possession or Lessee's right to make further investigation of Lessor's title shall in no way lessen or restrict Lessor's warranty of title given in Section 11.1 hereof, or Lessee's right or remedies in the event of the breach thereof.

11.4 No Warranty of Condition. Lessor does not warrant the condition of the Mine Property or mill. Lessee has inspected the same and expressly agrees to lease and purchase them "as is" (if the option is exercised).

SECTION TWELVE

NOTICES AND PAYMENTS

12.1 Notices. All notices provided for herein shall be given by certified mail, return receipt requested, at the following addresses until otherwise changed by written request of the parties:

Lessor:	Donald E. and Kathryn Jung P.O. Box 69 Austin, Nevada, U.S.A. 89310
Lessee:	Newpass Resources Ltd. #3, 6804 Macleod Trail, S.W. Calgary, Alberta, Canada T2H 0L3

Notice shall be deemed effective the seventh day following the day of deposit in the mails. Any change of address from those shown above shall be made known to the other party hereto in the manner provided above.

12.2 Payments. All payments to Lessor (excepting payments

to be made in gold bullion or other mineral product as in this Agreement provided) as required by this Agreement shall be paid or tendered to Lessor or for his credit at: Nevada National Bank, Austin, Nevada 89310, which shall be deemed the Lessor's agent and shall continue as the depository for receipt of any and all sums payable hereunder to the Lessor. The Lessee shall not be required to split payments as between the Lessor and any assignee or successor in interest of the Lessor. Any payment or tender by the Lessee to the Lessor at the above depository shall be sufficient for all purposes hereof. All such payments may be made by cheque or draft of the Lessee either mailed or delivered to such depository. Any payments to be made in gold bullion or other mineral product as in this Agreement provided, shall be made at the Lessee's office at the Mine Property and shall be forthwith removed by Lessor off of the Mine Property.

SECTION THIRTEEN

MISCELLANEOUS PROVISIONS

13.1 U.S. Funds. All sums referred to herein are expressed in United States currency.

13.2 Nevada Law. In case of a dispute hereunder, the laws of the State of Nevada and the jurisdiction of the Nevada courts shall apply.

13.3 Further Assurances. The Lessor and the Lessee hereby agree that they will each do and perform all such acts and things and execute all such deeds, documents and writings and give all such assurances as may be necessary to give effect to this Agreement and all covenants herein contained.

13.4 Benefit of Agreement. The terms, provisions, covenants and agreements contained herein shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

13.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

13.6 Headings. The headings herein are inserted for reference

only and shall not form a part of or be considered in the construction of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Lessors:

Donald E. Jung

Donald E. Jung

Kathryn Jung

Kathryn Jung

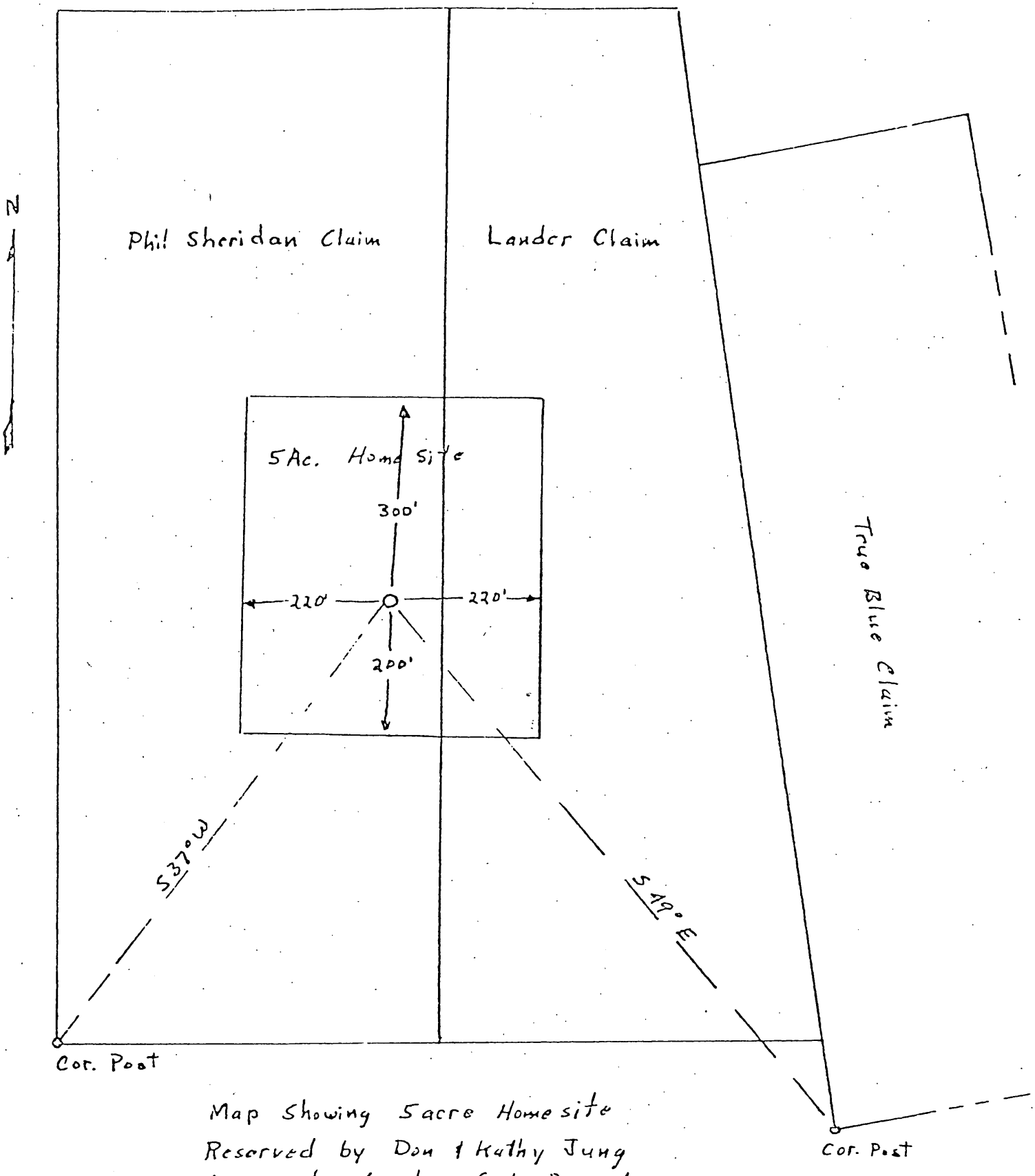
Lessee:

NEWPASS RESOURCES, INC.

By:

By:

Exhibit E to that certain Mining Lease and Option to Purchase dated January 1, 1977 between Donald E. Jung and Kathryn Jung and Newpass Resources Ltd.



Map Showing 5 acre Homesite Reserved by Don & Kathy Jung in event of sale of New Pass Mines

Exhi[illegible] D to that certain Minin[illegible]ease and Option to Purchase dated January 1, 1977 between Donald E. Jung, Kathryn Jung and Newpass Resources Ltd.

MINE EQUIPMENT LIST

Item

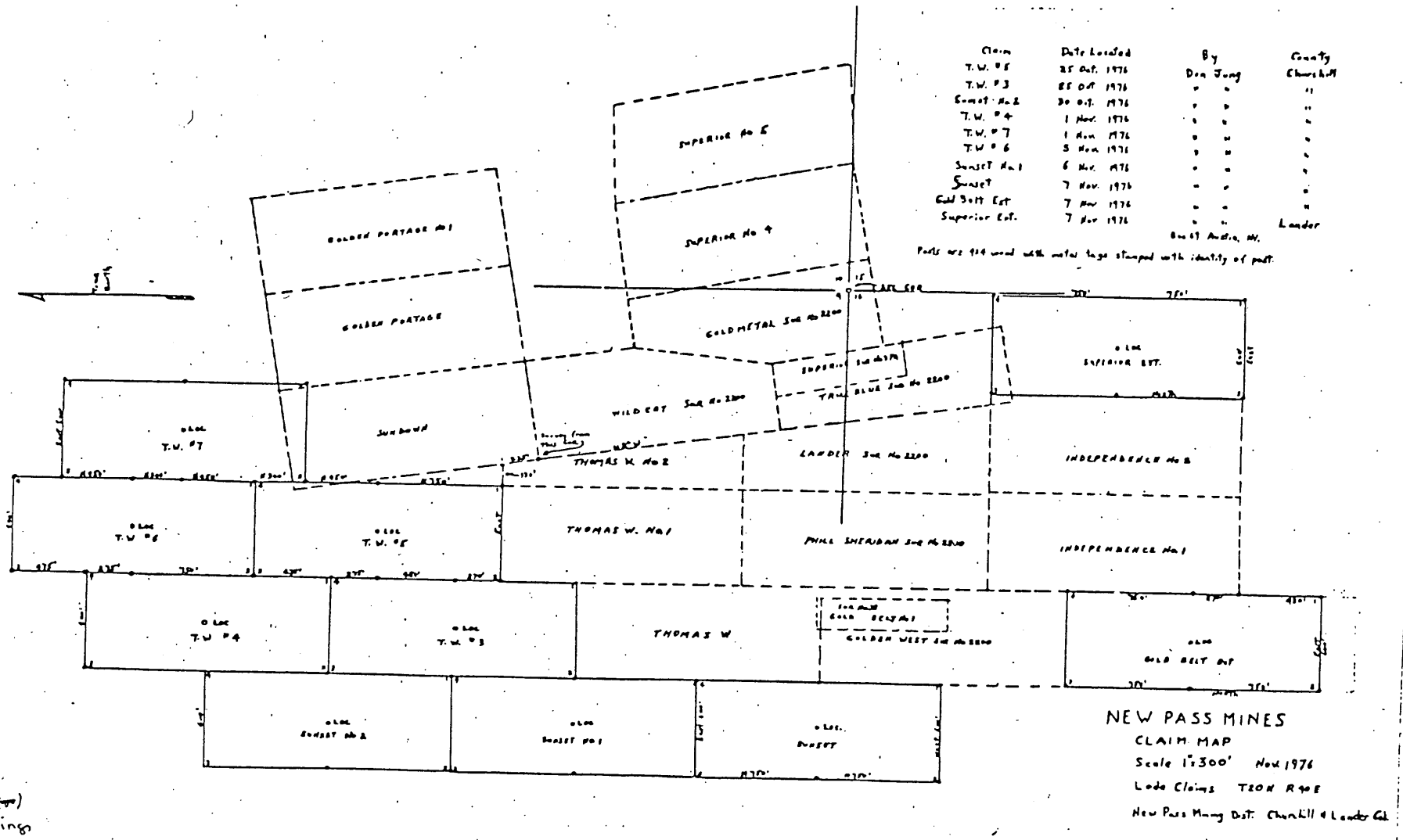
I-R. 600 Compressor
LePoi 210 Compressor
I-R. SH.P. Slusher
Joy SH.P. Slusher
G.D. 583F Jackleg
G.D. 583F Jackleg
BBC 16 Jackleg
Falcon Stoper
Falcon Stoper
Eimco 12-B Mucking Machine
Shop built trammer
6 - ore cars
HDSG Loader
Int. 4x4 Dump Truck (1943)
Ford Dump Truck (1950 F8)
Mine Hoist
12.5 K.W. Witte Generator Set
8 K.W. Witte Generator Set

MILL EQUIPMENT LIST

Item

6 x 20 Jaw Crusher
Crushing Rolls
4 x 3 Ball Mill
C.T. Amalgamator
Screen Classifier
60 K.W. Generator Set
2 - Copper plates, gold plated.

1 - ½ size Wilfley Table
1 - 8 x 12 Duplex Jig
Approx. 15 Elec. motors ½ to 20 H.P.
Pump & Generator (for water supply)



Where used herein, T.W. shall mean Thomas W.

Exhibit A - Page 4

148503

Exhibit A, consisting of 4 pages, to that certain Mining Lease and Option to Purchase dated January 1, 1977 between Donald E. Jung, Kathryn Jung and Newpass Resources Ltd.

MINE PROPERTY

1. PATENTED CLAIMS

All of the following patented lode mining claims in the State of Nevada, New Pass Mining District, Lander and/or Churchill Counties, comprised of one or more or a portion or portions of Sections 9, 10, 15 and 16, Township 20N, Range 40E, MDB and M, known as:

(a) Gold Belt No. 1, Survey No. 38,

(b) Superior Lode, Survey No. 37A,

(c) Golden West, Survey No. 2200,

(d) Phil Sheridan, Survey No. 2200,

(e) Lander, Survey No. 2200,

(f) True Blue, Survey No. 2200,

(g) Gold Metal, Survey No. 2200, and

(h) Wild Cat, Survey No. 2200,

the locations of which are more particularly shown on the map on page 4 of this Exhibit A, together with all mines therein.

2. UNPATENTED CLAIMS

All of the following unpatented lode mining claims in the State of Nevada, New Pass Mining District, Lander and/or Churchill Counties, comprised of one or more or a portion or portions of Sections 9, 10, 15 and 16, Township 20N, Range 40E, MDB and M, known as:

(a) Thomas W.,

(b) Thomas W. No. 1,

(c) Thomas W. No. 2,

(d) Thomas W. No. 3,

(e) Thomas W. No. 4,

1 to 15

(f) Thomas W. No. 6,

(g) Thomas W. No. 7,

(h) Sunset,

(i) Sunset No. 1,

(j) Sunset No. 2,

(k) Gold Belt Extension,

(l) Sundown,

(m) Golden Portage,

(n) Golden Portage No. 1,

(o) Superior Extension,

(p) Superior No. 4,

(q) Superior No. 5,

(r) Independence No. 1, and

(s) Independence No. 2,

the locations of which are more particularly shown on the map on page 4 of this Exhibit A, together with all mines therein.

3. MILLSITE

The following patented millsite in the State of Nevada, New Pass Mining District, Lander and/or Churchill Counties, known as Superior MillSite Survey No. 37B

4. WATER RIGHTS

All water rights and permits appertaining to the mining claims, mill sites and property referred to in this Exhibit A, and in particular, but without limitation, Water Permits No. 9641 and 9984 from the Nevada State Engineers Office.

5. PIPELINES AND EASEMENTS

All pipelines, pipeline rights of way and easements and all other rights of way and easements appertaining or related to, the mining claims, mill sites and/or water rights and permits referred to in this Exhibit A.

ACKNOWLEDGEMENT

CANADA)
PROVINCE OF ALBERTA)
TO WIT:)

On the 17th day of ~~January~~ March, 1977, before me, the undersigned, a Notary Public, personally appeared Walter R. Shatto and Louis P. Lees, known to me to be respectively the President and ~~Secretary~~ Treasurer of Newpass Resources, ~~Ltd.~~ Inc., who acknowledged to me that they executed the foregoing instrument on behalf of said corporation.

WITNESS my hand and offical seal.

Notary Public in and for the
Province of Alberta

ACKNOWLEDGMENT

STATE OF NEVADA)
COUNTY OF Washoe) S.S.
)

On ~~January~~ February 15, 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Donald F. Jung and Kathryn Jung, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal.

Kathleen F. Andrews
Notary Public in and for said
County and State

KATHLEEN F. ANDREWS
Notary Public — State of Nevada
Washoe County
My Commission Expires June 4, 1980

Government's Copy

MME Form 51
July 1965

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

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME-6907	Gold-Silver	2316	Lander and Churchill	Nevada

It is agreed July 19, 1976 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Donald E. Jung, an individual

whose mailing address is Box 69, Austin, Nevada 89310, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before August 15, 1976 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $12,720.00. The Government will contribute ~~XX~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $9,540.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 10 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

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

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1

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

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

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

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

Donald E. Jung

~~(Corporate)~~ Donald E. Jung

By _____

Title _____

THE UNITED STATES OF AMERICA

By William A Burk

U.S. Geological Survey

W.A. Burk, Contracting Officer

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

6/24/76 Kitkemo
7/1/76 Martin
7/7/76 Ferguson
7/12 Tobin
Dams 7/14
Edwards 7/14

_____

[CORPORATE SEAL]

EXPLORATION CONTRACT
DONALD E. JUNG
OME-6907

ANNEX I

The land, including all rights thereto, referred to in Article 2 of the contract consists of eight (8) patented mining claims in Sections 9, 10, 15 and 16, T. 20N., R. 40E., MDBM, New Pass Mining District, Lander and Churchill Counties, Nevada. These claims are shown on Figure 1, entitled "Map showing claims and proposed exploration, New Pass Mine, Lander-Churchill Counties, Nevada," which is attached and made part hereof.

The patented lode mining claims, referred to as the New Pass group, are identified as:

Name	U.S. Survey Number
Superior Lode	37A
Gold Belt No. 1	38
Golden West	2200
Gold Medal (Metal)	2200
Lander	2200
Phill Sheridan	2200
True Blue	2200
Wild Cat	2200

The Operator owns the New Pass group of claims by virtue of a conveyance dated August 9, 1972, from Lotar Jung and Anita Jung.

A copy of the document assigning these claims to the Operator is contained in the docket of this Contract and is incorporated herein by reference.

It is agreed that the requirements for payment of royalty to the Government on mineral production set forth in Article 7 of this Contract shall not apply to any mineral production which results from mining operations conducted on the Thomas W. - Gold Belt vein. However, any production from veins encountered in the crosscut completed on OME Contract 2307, OME-6699, which may intersect or merge with the Thomas W. - Gold Belt vein, shall not be exempt from the obligation for payment of royalty.

EXPLORATION CONTRACT
DONALD E. JUNG
OME-6907

ANNEX II

WHEREAS, the land referred to in Article 2 of the contract form was the subject of a previous contract dated November 9, 1972, Contract 2307, OME-6699, between the Government and Donald E. Jung and Lotar Jung, hereinafter called the "Prior Contract"; and

WHEREAS, said Prior Contract has been performed and settled and the Government's contribution thereunder determined at the sum of $54,468.75; and Certification of Possible Production issued under the provisions of said Prior Contract under date of January 16, 1975; and

WHEREAS, the work now provided for in this contract is an extension and continuation of the work under the Prior Contract:

NOW THEREFORE, it is agreed that:

1. The contribution of the Government under the Prior Contract in the sum of $54,468.75, plus accrued interest, shall be and is hereby added to the estimated contribution of the Government under this contract as indicated in Exhibit A, for repayment to the Government under the provisions of this contract. Any royalty accruing under this contract shall be applied first to the payment of said $54,468.75, plus accrued interest.

2. The Certification of Possible Production under the Prior Contract shall be considered to extend to this contract with the same force and effect as if a Certification of Possible Production had been duly issued by the Government under this contract; i.e., the project under this contract shall be considered to have been certified as of the date of this contract.

EXPLORATION CONTRACT
DONALD E. JUNG
OME-6907

EXHIBIT A

The purpose of the project is to explore by drifting and raising for gold-silver ore shoots associated with the Superior vein in the New Pass mine.

General Provisions

Drifts and raises shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary. Timber sets shall be not less than 8-by-8 inch timber or equivalent round timber. Rock bolts, if used in lieu of timber, shall be not less than 6 feet long.

Raises shall be timbered to provide a chute and manway with 3-inch lagging on the chute side and ladders on the manway side.

Mine rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 14-inch diameter.

All significantly mineralized areas exposed by underground exploratory workings shall be sampled normal to the trends of the deposits at intervals not exceeding 5 feet. In addition, a representative bulk sample may be taken of each round broken.

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

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

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

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

The location, direction, and extent of each work item not described herein shall be subject to Government approval confirmed in writing.

Description of the Work

The work shall consist of extending the existing drift on the Superior vein in a northerly direction from the face of the drift approximately 85 feet north of the OME crosscut on the 490 level of the New Pass mine. An estimated total of 200 feet of drift, raise, or auxiliary crosscut necessary to follow or to recover faulted segments of vein, may be completed on this contract.

The approximate location of the proposed drift is shown on Figure 1.

Estimated Costs of the Work

Fixed Unit Costs 1/ 2/		
Drifting, 200 feet at $60.00/ft.	$12,000.00	
Timbering underground workings 50 feet at $12.00/ft.	600.00	
Assaying for gold and silver 24 samples at $5.00/sample	120.00	
Total Estimated Cost of the Project		$12,720.00
Government Participation at 75 Percent		$9,540.00

1/ Includes all costs whatsoever such as labor, equipment, materials, and supplies, supervision, payroll taxes and insurance, office expense, report preparation and other services.

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

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.

Donald E. Jung
Signature

Owner
Title

23 July 1976
Date

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

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.)*

Donald Eugene Jung
Box 69
Austin, Nv. 89310

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6907

DATE RECEIVED: 6-11-76

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Not Applicable		

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

ESTIMATED COST OF PROJECT: $16,636-50

PROPERTY NAME	LOCATION COUNTY	STATE
New Pass Mine	Churchill & Lander	Nv.

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.

7 June 1976
DATED

Donald E. Jung
BY *(Signature)*

Owner
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INFORMATION FOR OME LOAN

I. Financial Eligibility:

(a) Enclosed

(b) Not Applicable.

(c) By supplying the following items of equipment:

1-pickup truck.

2- air compressors.

2- jacklegs plus the necessary hoses, hand tools, etc.

2- 32 cu. ft. mine cars.

1- dump truck.

The necessary rail, ties etc. to complete the job.

By furnishing all engineering and supervisory work needed.

By supplying sufficient capital to initiate the work and keep it moving.

1- Eimco 12-B mucking machine.

1- trammer (electric).

2. Applicant's Right in Land:

(a) I am the owner of the claims and all mineral rights involed. See copies of deeds.

(b) See maps and reports. The Thomas W.-Gold Belt vein and its extensions down dip and on the strike should not be subjected to any Govt. royalty or leins. The Govt. royalty shall apply only to those ores found in the proposed drifting on the Superior Vein or in any of the work that was done in the previous OME contract, docket no. OME-6699.

CLAIM	BOOK	PAGE
Thomas W.	J	93
Thomas W. No. 1	J	110
Thomas W. No. 2	J	111
Golden Portage	J	329
Golden Portage No. 1	J	325
Sundown	J	326

These claims are recorded at the Lander County Court House, Austin, Nv. and also at the Churchill County Court House, Fallon, Nv.

The Property is known as New Pass Mine and Thomas W. Mine.

(c) Not Applicable.

3. Physical Description:

(a) See maps and reports.

(b) I Mined portions of the Thomas W.-Gold Belt vein during the period of 1960 to 1964. The areas mined are indicated on the map. The ore was reduced in a 10 stamp mill located on the Thomas W. claim. The gold was sold to the U. S. Mint in San Francisco. The areas I mined were portions of the vein that were passed over by previous owners as too narrow or of too low a grade. Production facilitys are intact upon the Thomas W. Mine. We have since completed a 40 ton ball mill near the portal of the No. 4 Tunnel on the Superior Claim. Since 1973 and to the present we have mined ore on the 540 level of the Thomas W. and also on the 340 lv. Also completed since 1972 has been 1600 ft. of X-Cut and drifting under OME loan, docket No. 6699

(c) I do not have records of past production other than that shown on the assay maps and as referred to in the reports. The work I have done in the Thomas W. Mine bears out the fact that the assay maps and reports are accurate. Our production during the 1960-64 period was about 1500 oz. of Au and 200 oz. of Ag. From 1973 to the present we have produced about 1200 oz. of Au. and 100 oz. of Ag.

(d) See maps. There is aproximately 3500 tons of low grade ore in the Thomas W.-Gold Belt workings, grade about 0.40 oz. per ton of Au.

(e) See maps and reports.

(f) We reached the Superior Vein with the work completed under the previous OME loan. It is my belief that we have to drift farther north on the vein in order to enter into the main ore shoot. In projecting the ore shoot down from the No. 4 Tunnel, it looks as though we are on the south edge of it. We have found gold and silver mineralization along the portion of vein so far exposed which is about 100 ft. See map for details.

(g) Maps and reports are enclosed, please return.

4. Accessibility of Property:

I live on the property and your representative, Mr. H. K. Stager, Has been here frequently in the past.

Most of the mine workings are open.

(b) Austin, Nv. is the nearest town, being about 30 miles to the east of the mine. Fallon, Nv. is 85 miles west on Hwy. 50.

5. Exploration work:

(a) The exploration work will consist of continued drifting on the Superior Vein to the north. This work will be carried out from the 490 level X-Cut. The drift will be 5 by 7 ft. in size. The Estimated length of the drift is 250 ft. In the event that the ore shoot is entered before the 250 ft. of drift is completed, a 5 by 7 ft. raise will be started toward the No. 4 Tunnel of the Superior. See maps for details.

(b) Not applicable.

(c) If a contract is executed, work would start within two weeks time. I expect to make an average of 4 ft. of advance per shift in the drift or about 60 working shifts for the project. In the event any raising is done, estimated rate of advance there would be 3 ft. per shift.

6. Experience:

I have worked about 20 years as a miner, shift boss, engineer and mine superintendant. I have operated the Thomas W. Mine for about 7 years. I will supervise the this project if a contract is executed.

7. Estimate of Costs:

(a) None.

(b) Supervision, engineering and geological services will be provided by myself during the duration of the project. Cost will be $1200.00 per month.
Two miners at $6.00 per hour each.
One hoistman at $5.00 per hour each.

Supervision (3 months)	$3600.00
Miners	$5760.00
Hoistman	$2400.00
	11,760.00

The above services are available.

(c)

1.5 tons of 20# mine rail @ 500.00/ton	$750.00
200 ft. of 2" air line	100.00
200 ft. of 1" water line	50.00
25# of track spikes	12.50
25# of track bolts	15.00
25 prs. of fish plates	50.00
Diesel fuel	504.00
Gasoline	170.00
Powder	300.00
Caps	65.00
Fuse	120.00
Drill steel	100.00
	$ 2236.50

(d) Operating Equipment: Supplied by Don Jung

1- used Eimco 12-B Mucker, condition good	$2000.00
1- used hoist, condition good	1500.00
1- used 210 compressor, condition good	2000.00
2- jackleg drills, condtion good	2000.00
1- trammer, condition good	1000.00
2- 32 cu. ft. cars, good	500.00
1- pickup truck, good	1200.00
1- dump truck, good	1000.00

(e) None.

(f) None.

(g) Maintenance and repair of 12B mucker	$75.00
" " " " trammer	50.00
" " " " hoist	75.00
" " " " compressor	100.00
" " " " air tools	100.00
" " " " trucks	100.00
Assaying	100.00
Taxes and insurance	2040.00
	2640.00

ESTIMATED TOTAL COST OF PROJECT

Supervision, engineering and labor	$11,760.00
Operating materials and supplies	2236.50
Miscellaneous	2640.00
	$16,636.50

7 June 1976

Security National Bank
Fallon, Nv.

Dear Sirs,

I am writing this letter as per requirements for an CME loan for mineral exploration.

I wish to apply to your Bank for a loan of $15,000.00 to be used for exploration for gold and silver ores upon the Superior Vein of the New Pass Mine near Austin, Nv.

The work will consist of drifting upon the vein.

I also wish to request that the loan may be repaid from a royalty based upon production of ore found from the above described exploration work.

Respectively Yours

Don Jung
New Pass Mine
Austin, Nv. 89310

Security
NATIONAL BANK OF NEVADA
MEMBER F.D.I.C.
P.O. BOX 710 • 77 NORTH MAINE STREET • FALLON, NEVADA 89406 • 423-2177

Mr. Don Jung
New Pass Mine
Austin, Nevada 89310

Dear Mr. Jung;

Your application for a $15,000 loan to be extended for the exploration for gold and silver ore in the Superior Vein of the New Pass Mine has been received and reviewed.

It is the policy of Security National Bank that we do not involve ourselves in mining exploration loans due to the high risk of mining explorations.

Thank you for considering our bank in your loan.

Sincerely,

Robert H. Erickson
Assistant Vice President
and Manager

7 June 1976

Ms. DeEtta Markland

Manager, Nevada National Bank

Austin, Nv. 89310

Dear Ms. Markland,

I am writing this letter as per requirements for an OME loan for mineral exploration.

I wish to apply to your Bank for a loan of 15,000.00 dollars to be used for exploration for gold and silver ores upon the Superior Vein of the New Pass Mine near Austin, Nv.

The work will consist of drifting upon the vein.

I also wish to request that the loan may be repaid from a royalty based upon production of ore found from the above described exploration work.

Respectively Yours,

Don Jung

Don Jung
New Pass Mine
Austin, Nv. 89310

Nevada National Bank
Austin Office / *Main Street, P. O. Box 40, Austin, Nevada 89310, Phone 964-2629*

June 7, 1976

Mr Don Jung
New Pass Mine
Austin, Nevada

Dear Mr Jung:

As per your request for a $15,000.00 loan for Mineral Exploration loan.

This Bank is turning you down onthe above loan as we do not give loans for mining exploration.

Very truly yours

DeEtta Markland
AVP & Mgr.

August 9th, 1972

Aug. 9, 1972

Lotar Jung and Anita Jung of Laytonville, California, do hereby give to Donald Eugene Jung of Austin, Nevada, all of our interest in the following mining claims, buildings and equipment, located in the Reese River Mining District, Lander County, State of Nevada.

Survey #38 Gold Belt
Survey #2200 Golden West
Survey #37 A Superior Lode
Survey #37B Superior Mill Site
Survey #2200 Phil Sheridan, Lander, True Blue, Wildcat, Gold Metal, Lode Mining Claims, all patended mining claims and patented mill sites.

The Independence #1 & Independence #2, unpatended mining claims. Mill buildings, other buildings and all improvements situated on said patended mining claims and mill site and upon the unpatended mining claims, also all Water and Water Rights appertaining to said mining claims and property.

Lotar Jung
Lotar Jung

Anita Jung
Anita Jung

BOOK NO. 32 PAGE 54

QUITCLAIM DEED

THIS INDENTURE, made this 13th day of September, 1968 between LOTHAR JUNG, buyer, of Laytonville, California and HAROLD R. NELSON, Adminstrator of estate of WALLACE M. NELSON, and MERLE P. BROOKS, as sellers.

That the sellers in consideration of the sum of TEN DOLLARS, ($10.00), lawful money of the United States, paid to them by the buyers do forever release and QUITCLAIM all their rights, title and interest in and to the Newpass Mine and Mill, situated in the New Pass (Reese River) Mining District, Landers County, State of Nevada and described as follows:

> Gold Belt #1, Golden West, Gold Medal, Lander, Phill Sheridan, Superior, True Blue and Wild Cat; also certain patented millsite situate in said mining district county and state, known, called and described as Superior Millsite,

together with all mining and milling equipment, buildings, water rights and other appurtenances thereon and therein.

AND TOGETHER WITH all rights, privileges, franchises, tenements, hereditments and appurtenances thereunto belonging or appertaining, all dips, spurs and angles, and all metals, ores and mineral substances therein, and the reversion and reversions, remainder and remainders.

STATE OF CALIFORNIA
COUNTY OF Los Angeles } ss.

On September 17, 1968 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Harold R. Nelson, as Administrator of the estate of Wallace M. Nelson and Merle P. Brooks

known to me to be the persons whose names subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

(Seal) Notary Public in and for said County and State.

SEAL
ATHES
CALIFORNIA
FEB IN
COUNTY
ry 11, 1971

HAROLD R NELSON, Administrator to the estate of WALLACE M NELSON

RECORDED AT REQUEST OF
Lothar Jung
12/23 1968 AT 3:00 P.M.
BOOK 32 OFFICIAL RECORDS PAGE 54
OF LANDERS COUNTY, NEVADA
FILE NO. 54779
COUNTY RECORDER

MERLE P. BROOKS

Form 323 7-48 (Individual)

December 26,1966

Lotar Jung and Anita Jung of Laytonville, California, do hereby give to Donald Eugene Jung of ~~Ames~~ Austin, Nevada, all of our interest in the following mining claims, buildings and equipment, located in the Reese River Mining District, Lander County, State of Nevada.

Survey # 38 Gold Belt (# 38)
Survey # 2200 Golden West
Survey # 37A Superior Lode
Survey # 37B Superior Mill Site
Survey # 2200 Phil Sheridan , Lander, True Blue, Wild Cat, Gold Metal, Lode Mining Claims, all patended mining claims and patented mill sites.

The Independence # 1 & Independence # 2, unpatended mining claims. Mill buildings, other buildings and all improvements situated on said patended mining claims and mill site and upon the unpatended mining claims, also all Water and Water Rights, appertaining to said mining claims and property.

Lotar Jung
Lotar Jung

Anita Jung
Anita Jung

Notary

Don
These are recorded at Austin

Don Jung
Cordero Mine
McDermitt, Nev. 89421

Affix I. R. S., $ _____

BOOK NO. 2 PAGE 464

GRANT, BARGAIN, SALE DEED

THIS INDENTURE WITNESSETH: That LEE COOLEY and BETTY COOLEY, his wife, of the Town of Austin, County of Lander, State of Nevada, First Parties,

in consideration of $ 10.00 the receipt of which is hereby acknowledged, do hereby Grant, Bargain, Sell and Convey to Don Jung and Lothar Jung, of the same place, Second Parties,

all that real property situate in the _____ County of Lander State of Nevada, bounded and described as follows:

All of our right, title and interest in the Thomas W. Mine, situated in the Reese River Mining District at or near New Pass, in the County of Lander, State of Nevada.

The property includes the following mining claims: Thomas W., Thomas W. No. 1, Thomas W. No. 2, Sundown, Golden Portage, Golden Portage No. 1, Bandwagon Millsite, Welch Canyon Millsite, Water Rights No. 9641 and 9984, Pipeline and Pipeline Right of way, Surface Extensions and all equipment, buildings and rights held and owned by the First Parties.

The conveyance hereby made is for all rights we now have or may hereafter acquire appertaining to and belonging to above property.

Certificates of Location of the Mining Claims and Millsites and Water Permits from the Nevada State Engineers Office are of record in the office of the Recorder of the County of Lander, State of Nevada to which record reference is hereby made for particulars of description of said claims.

* * * * * * * * * * * * *

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

Witness our hands this 26th day of December 1963

Lee L. Cooley
LEE COOLEY

Betty J. Cooley
BETTY COOLEY

STATE OF NEVADA
COUNTY OF LANDER } SS.

On December 27, 1963 before me, the undersigned, a ~~Notary Public~~ COUNTY RECORDER in and for said County and State, personally appeared

LEE COOLEY and BETTY COOLEY, his wife,

known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.

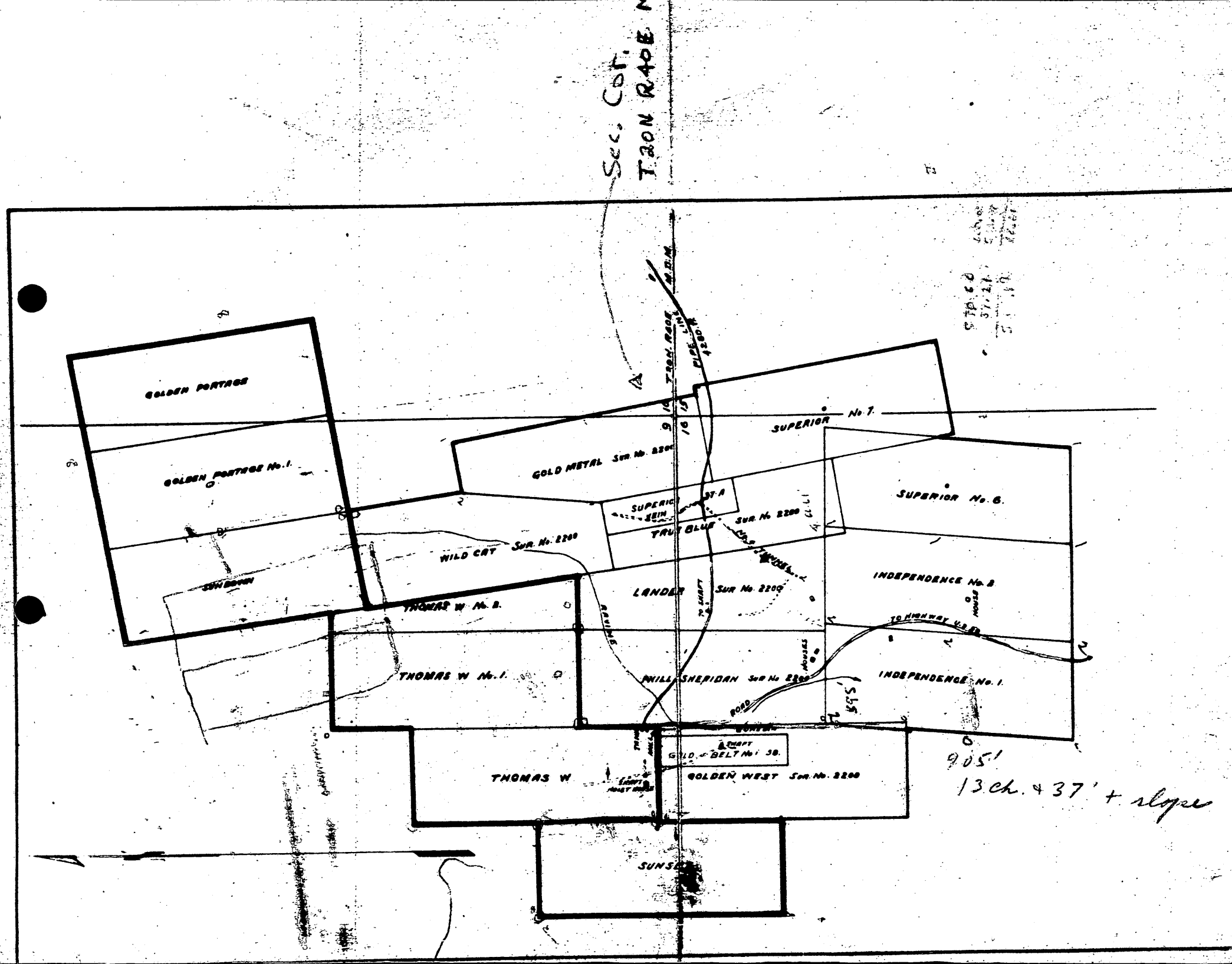
James R. Wright
Notary Public in and for said County and State

ESCROW NO.) ORDER NO.) _____ RECORDER'S INSTRUMENT NO. _____
WHEN RECORDED MAIL TO: _____

SPACE BELOW FOR RECORDER'S USE ONLY

RECORDED AT REQUEST OF
Don Jung
January 14, 1964 AT 3:55 P.M.
BOOK 2 OFFICIAL RECORDS PAGE 464
OF LANDER COUNTY, NEVADA
FILE NO. 40793
Fee $ 3.00

James R. Wright
COUNTY RECORDER


Sec. Cor.
T.20N R.40E
GOLDEN PORTAGE
GOLDEN PORTAGE No. 1.
SUNDOWN
WILD CAT Sur. No. 2200
GOLD METAL Sur. No. 2200
SUPERIOR No. 7.
SUPERIOR No. 6.
SUPERIOR SEIN
TRUE BLUE Sur. No. 2200
LANDER Sur. No. 2200
INDEPENDENCE No. 8
INDEPENDENCE No. 1.
THOMAS W No. 2.
THOMAS W No. 1.
THOMAS W
GOLDEN WEST Sur. No. 2200
GOLD BELT No. 38.
SUNSET
TRUE LINE
FIRE LINE
ROAD
HOUSES
905'
13 ch. + 37' + slope

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

June 14, 1976

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: New Application (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada

Enclosed is an application for additional financial assistance to continue the exploration started under OME-6699, Contract No. 2307. A copy has been retained for our files.

The application appears to be complete inasmuch as most of the necessary information is already in our files from the previous contract. Letters to two banks, dated June 7, 1976, and the replies, are attached. The Operator's performance under the completed contract was excellent. You will recall that nearly all of the footage authorized by the previous contract was needed to reach the Superior Vein and insufficient footage was available to explore the target. Although more drifting and raising will be required to adequately explore the Superior Vein than the amount requested by the Operator, insufficient OME funds preclude consideration of a larger amount of footage.

I will immediately prepare a supplemental application report recommending approval of a new contract for the proposed work.

H. K. Stager

Enclosure

xc: OME, Reston ✓
cc: Dir RF
MP RF
MR RF
Docket (2) see 6699
HKStager:mlb

ROCKY MOUNTAIN GEOCHEMICAL CORP.

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

RENO OFFICE

Certificate of Analysis

RMGC Number:

Local Job No.: 74-35-36R

Foreign Job No.:

Invoice No.: 9581

Date: November 12, 1974

Client: New Pass Mines
P. O. Box 69
Austin, Nevada 89310

Client Order No.: None

Report On: 4 rock Samples

Submitted by: Don Jung

Date Received: November 4, 1974

Analysis: Gold and Silver

Analytical Methods: Analysis is determined by atomic absorption.

Remarks: None

Those samples taken where 490 L. X-Cut intersectected Superior Vein. Switch referred to is in center of X-Cut where drifts branch rt. & left

cc: Enclosed (2)
RMGC
File

GMF:er

Sample No.	Oz/T Gold	Oz/T Silver	
1	0.333	6.56	18' N. of switch, 5" across back
2	0.207	0.09	36' N. " " , 6" quartz
3	0.309	0.15	31' South " " , 32" quartz
4	-0.003	0.03	Rt. Rib x-cut, 1400' E. of shaft, siltstone

By Gary M. Fechko (geol)

Gary M. Fechko
Rocky Mountain Geochemical Corporation
Sparks, Nevada November 12, 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

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

January 10, 1977

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract 2316

Dear Mr. Jung:

Mr. H. K. Stager, Field Officer, OME Region II, sent us your final voucher and Operator's Final Report for this contract. We have referred the voucher to the Survey's Branch of Financial Management for review and payment. A check in the amount approved for payment should be sent to you in the near future.

As the contract will be completed upon final accounting, we direct your attention to Articles 2(c), and 6, Annex I and Annex II of the Contract, and to provisions of the Certificate of Possible Development issued January 16, 1975, under Prior Contract 2307, OME-6699, which were applied to Contract 2316. Copies of Annex I, Annex II, and the Certification are enclosed for reference.

Article 6 (erroneously referred to as Article 7 in Annex I), Annex I and Annex II of Contract 2316 obligate the Operator, Donald E. Jung, to pay royalties on all production from the land described in Contracts 2316 and 2307, to notify the Field Officer upon commencement or cessation of production, and to preserve the Government's royalty rights in the event the Operator's rights in the lands described in the contracts are transferred, surrendered, or encumbered.

Subject to payment of the final voucher referred to previously, contributions of the Government to the two contracts will total as follows:

Prior Contract	$54,468.75
Contract 2316	9,540.00
Total	$64,008.75

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Until December 28, 1983, any royalty resulting from production of minerals on lands described in these contracts will be applied first toward payment of accrued interest with the remainder applied to reduce the outstanding principal balance on the Prior Contract. In the event interest and principal are paid in full prior to that date, payments will be applied toward interest and principal on Contract 2316 whose royalty period extends to July 19, 1986.

If you have any questions regarding either of these contracts and your responsibilities for royalty payments and protection of the Government's interest, please write us.

Thank you for participating in the OME program.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

cc:
DRF
MR Rdg.
OME Rdg.
OME Files (2)
Mr. Kirkemo
Region II (2)

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6699 (Gold-Silver)
Donald E. Jung and Lotar Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contract 2307

Pursuant to Article 6 of the referenced contract, as amended, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production, excepting that prescribed in Annex I, from the land described in the contract from December 28, 1973, to December 28, 1983, or until the total amount, $54,468.75, contributed by the Government under the contract is fully repaid with interest at the rate of 8¼ percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

We direct your attention to the last paragraph in Annex I to the contract which provides as follows:

"It is agreed that the requirements for payment of royalty to the Government on mineral production set forth in Article 6 [7] of this Contract shall not apply to any mineral production which results from mining operations conducted on the Thomas W. - Gold Belt vein. However, any production from veins encountered in the proposed crosscut which may intersect or merge with the Thomas W. - Gold Belt vein shall not be exempt from the obligation for payment of royalty."

Royalty payments should be made in favor of the U.S. Geological Survey and mailed or delivered to the Field Officer, Office of Minerals Exploration, Region II, U.S. Geological Survey, Building 2, 345 Middlefield Road, Menlo Park, California 94025. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of your rights in the lands embraced in the contract shall be furnished to the Field Officer.

Dated this 16th day of January, 1975.

THE UNITED STATES OF AMERICA

Harold Kirkemo

Chief, Office of Minerals Exploration
U.S. Geological Survey

cc:
DRF
MR Rdg.
Branch of Financial Management
Assoc. Sol.—Rm. 6347 Interior
OME Docket
OME Region II
OME Reading
HKirkemo
g (2)

HKirkemo/gpw

Bruscan mine - Idaho [illegible] surface [illegible] 3 more years
New Mexico — Emporia [illegible]

(Rex Thomas)

New Pass

(Shut Down Roscoe Resources)

Leading oil or Gas

Canadian Exploration

Diamond Drilling

Fast (Home)

(N.T.E.)

(Robert Smith) } not to exceed

Thomas Vein - Week

N.T.E. 40 [illegible]

(Rex Thomas)

(Rec. New Pass
1st Ore Express)

2nd

Rex Thomas

never Traded

Closed ONE $200.00

pd -

United States Department of the Interior

GEOLOGICAL SURVEY

Office of Minerals Exploration
345 Middlefield Road MS 90A
Menlo Park, California 94025

July 5, 1983

Memorandum

To: Chief, Office of Minerals Exploration, Denver, Colorado

From: Field Officer, Region II, Menlo Park, California

Subject: OME-6699 and OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts Nos. 2307 and 2316

Annual Inspection

An annual inspection of the property was made by the Field Officer on June 29, 1983.

The mine is on a standby basis and Mr. Jung and his family are the only persons living at the mine. The new owners, Newpass Resources Ltd., are planning additional exploration of the property within the next few months and will probably have a diamond drill operating late in July.

Mr. Jung mined about 200 tons of ore from old stope pillars in the Thomas W. vein workings last fall. This ore was crushed and placed on leach pads at the mine and is now being leached. This production is not subject to OME royalty under terms of the OME report.

The certification period for Contract No. 2307 expires on December 28, 1983, and Contract No. 2316 on July 19, 1986.

H. K. Stager

cc: OME-6699
OME-6907

United States Department of the Interior

GEOLOGICAL SURVEY

Office of Minerals Exploration
345 Middlefield Road MS 90A
Menlo Park, California 94025

July 5, 1983

Memorandum

To: Office of Minerals Exploration, Denver, Colorado

From: Field Officer, Region II

Subject: OME Activities during June 1983

Public inquiries about the OME program during June consisted of 3 mail requests for information and several telephone inquiries. No production was reported for any certified projects during the period and there were no royalty payments received. A field inspection was made at the New Pass Mine, OME-6699 and OME-6907 (Gold-Silver) Contracts 2307 and 2316, on June 29, see report dated July 5, 1983.

The certification period for the contract at the Brown Bear Mine, (OME-6860, Contract No. 2304), Trinity County, California, expired on June 21, 1983.

H. K. Stager

Office of Minerals Exploration
345 Middlefield Road MS 90A
Menlo Park, California 94025

June 20, 1983

Miller, McClelland & Company
1603-10th Avenue, S.W.
Calgary, Alberta T3G 0J7

Re: OME-6699 & OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Dear Sirs:

Mr. L. P. Lees, Secretary of Newpass Resources Ltd., has requested that we provide you a statement concerning the following information on the subject OME loans as of February 28, 1983.

Contract No. 2307 for $54,468.75 has a total of $42,070.24 in interest outstanding on February 28 and the interest rate is 8 1/2% per annum.

Contract No. 2316 for $9,540.00 has a total of $6,024.24 in interest outstanding on February 28 and the interest rate is 10% per annum.

The Government is due a royalty of 5%, of the value when sold, on all mineral production from the property covered by the contracts. Royalty payments are applied first to pay accrued interest and then to reduction of the principal balance. There have been no royalty payments made, and no production reported by the owners or operators, since the loans were incurred.

This Office has no record of any assignment of the contracts pursuant to the mining lease and option to purchase agreement of January 1, 1977 between Donald E. Jung and Kathryn Jung as lessor and Newpass Resources Ltd.

If you have any questions regarding these contracts please phone or write to this Office.

Sincerely yours,

H. K. Stager
OME, Region II

cc: OME Dockets 6699/6907
OME Denver ✓

United States Department of the Interior

GEOLOGICAL SURVEY

Office of Minerals Exploration
345 Middlefield Road MS 90A
Menlo Park, California 94025

October 5, 1982

Memorandum

To: Chief, Office of Minerals Exploration, Denver, Colorado

From: Field Officer, Region II, Menlo Park, California

Subject: OME-6699 and OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts Nos. 2307 and 2316

A follow-up inspection of the property (see Annual Inspection report dated July 29, 1982) was made by the Field Officer on September 24, 1982.

The exploration drilling mentioned in the Annual Inpection report was completed about mid-September. About 6,000 feet of drilling was completed in about 10 holes. Mr. Jung stated that the results of this exploration are still being studied, and that assays of all the vein material intersected had not been received. However, favorable vein extensions were found both down dip and along strike on the Thomas W. and Superior veins. Additional development work on both veins appears justified and is now being planned.

Some mining is continuing in old workings on the Thomas W. vein and consists mainly of pillar-robbing in the old stopes. This ore is crushed in the mill, and leached on pads below the mill, with a reported gold recovery of about 65% from ore that averages about 0.6 to 0.8 ounce of gold per ton. The production is not subject to OME royalty under terms of the OME contract. Any ore mined from the Superior vein, as a result of the recent exploration, will be subject to OME royalty until the certification period expires on July 19, 1986.

H. K. Stager

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road MS 90A
Menlo Park, California 94025

July 29, 1982

Memorandum

To: Chief, Office of Minerals Exploration, Denver, Colorado

From: Field Officer, Region II, Menlo Park, California

Subject: OME-6699 and OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts Nos. 2307 and 2316

Annual Inspection

An annual inspection of the property was made by the Field Officer on July 22, 1982.

The mine, mill, and leaching operation are being operated on a reduced schedule under the direction of the owner, Donald E. Jung. A small amount of ore is being mined from the Thomas W. vein. This ore is not subject to OME royalty under terms of the OME contracts.

At the time of the inspection a diamond drill and crew had arrived on the property, from Vancouver, Canada, and were preparing to start an exploration project of the Thomas W. and Superior veins from surface sites that had already been prepared. This exploration will total 5,000 feet of drilling in about 10 holes. This work is being financed by Newpass Resources, Ltd. and drilling was scheduled to start on July 26.

An additional inspection of the property is planned for later in the year to study the results of the drilling.

The certification period for Contract No. 2307 expires on December 28, 1983, and Contract No. 2316 on July 19, 1986.

H. K. Stager

cc: OME-6699
OME-6907

RECEIVED
MAY 24 1982

Office of Minerals Exploration
345 Middlefield Road MS 90A
Menlo Park, California 94025

May 19, 1982

Miller, McClelland & Company
1603-10th Avenue, S.W.
Calgary, Alberta T3C 0J7

Re: OME-6699 & OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Dear Sirs:

Mr. L. P. Lees, Secretary of Newpass Resources Ltd., has requested that we provide you a statement concerning the following information on the subject OME loans as of February 28, 1982.

Contract No. 2307 for $54,468.75 has a total of $37,440.40 in interest outstanding on February 28 and the interest rate is 8 1/2% per annum.

Contract No. 2316 for $9,540.00 had a total of $5,070.24 in interest outstanding on February 28 and the interest rate is 10% per annum.

The Government is due a royalty of 5%, of the value when sold, on all mineral production from the property covered by the contracts. Royalty payments are applied first to pay accrued interest and then to reduction of the principal balance. There have been no royalty payments made, and no production reported by the owners or operators, since the loans were incurred.

This Office has no record of any assignment of the contracts pursuant to the mining lease and option to purchase agreement of January 1, 1977 between Donald E. Jung and Kathryn Jung as lessor and Newpass Resources Ltd.

If you have any questions regarding these contracts please phone or write to this Office.

Sincerely yours,

E. K. Stager
OME, Region II

cc: OME Dockets 6699/6907
OME, Reston

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

May 9, 1983

Re: OME 6699 and 6907 (gold,silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties
Nevada
Contracts 2307 and 2316

Mr. Donald E. Jung
P.O. Box 69
Austin, Nevada 89310

Dear Mr. Jung:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since April 19, 1982, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the joint venture agreement with E and B Exploration Inc. of Vancouver, Canada still in effect?

2. Since April 19, 1982, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since April 19, 1982, has any production been transported through workings (*see of contract*)? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Don Jung	Title Manager
Address Box 69 Austin, Nv. 89310	Date 5/19/83

United States Department of the Interior
GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

April 7, 1982

Re: OME-6699 and OME 6907 (gold/silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties,
Nevada
Contracts 2307 and 2316

Mr. Donald E. Jung
P.O. Box 69
Austin, NV 89310

Dear Mr. Jung:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

New Address
6101 So. 9th East
Salt Lake City Utah
84121

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 25, 1981, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes [X] No [ ]

Is the joint venture agreement with E and B Exploration, Inc. of Vancouver, Canada still in effect?

2. Since August 25, 1981, has there been any production from the land subject to the contract? Yes [ ] No [X]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see* , has any production been transported through *of contract*)? Yes [ ] No [X]

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Don Jung Don Jung	Title Owner - Operator
Address Box 69 Austin, Nv. 89310	Date 4/19/82

August 12, 1981

M E M O R A N D U M

To: H. K. Stager, Field Officer, Region II

From: J. W. Hasler, Chief, Office of Minerals Exploration

Subject: OME 6699 and OME 6907 (gold, silver)
Donald E. Jung, New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Enclosed is a completed copy of Form MME 63 for your files which was returned to us July 25, 1981 by Mr. Jung, as well as a copy of a Joint Venture Agreement between New Pass Resources, Ltd. and E & B Explorations Inc.'

It is interesting to note that the agreement does indeed include their obligation to the U.S. Government. This is not often the case.

JWH:js

cc: A.T. Ovenshine, OMR
R.B. Taylor, CMR

Encl.

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 25, 1981, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☒ No ☐

Is the joint venture agreement with E and B Exploration, Inc. of Vancouver, Canada still in effect?

2. Since August 25, 1981, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings (*see of contract*), has any production been transported through Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Don Jung Don Jung	Title Owner - Operator
Address Box 69 Austin, Nv 89310	Date 4/19/82

United States Department of the Interior

GEOLOGICAL SURVEY
BOX 25046 M.S. 933
DENVER FEDERAL CENTER
DENVER, COLORADO 80225

July 7, 1981

Re: OME 6699 and OME 6907
(gold and silver)
Donald E. Jung
New Pass Mine
Churchhill and Lander Counties
Nevada
Contracts 2307 and 2316

Mr. Donald E. Jung
P.O. Box 69
Austin, Nev. 89310

Dear Mr. Jung:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely,

J. William Hasler

J. William Hasler, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since January 25, 1979, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☒ No ☐

Is the lease with New Pass Resources still in effect? Yes X No ___

Newpass Resources entered into a joint venture agreement with E & B Explorations Inc. Copy enclosed

2. Since January 25, 1979, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since January 25, 1979, has any production been transported through workings (*see* *of contract*)? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Don Jung	Title Manager - Owner
Address Box 69 Austin, NV 89310	Date 25 July 1981

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration MS 90A
345 Middlefield Road
Menlo Park, California 94025

April 1, 1981

Miller, McClelland & Company
1603-10th Avenue, S.W.
Calgary, Alberta T3C 0J7

Re: OME-6699 & OME-6907(Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Dear Sirs:

Mr. L. P. Lees, Secretary of Newpass Resources Ltd., has requested that we provide you a statement concerning the following information on the subject OME loans as of February 28, 1981.

Contract No. 2307 for $54,468.75 had a total of $32,810.56 in interest outstanding on February 28 and the interest rate is 8½% per annum.

Contract No. 2316 for $9,540.00 had a total of $4,116.24 in interest outstanding on February 28 and the interest rate is 10% per annum.

The Government is due a royalty of 5%, of the value when sold, on all mineral production from the property covered by the contracts. Royalty payments are applied first to pay accrued interest and then to reduction of the principal balance. There have been no royalty payments made, and no production reported by the owners or operators, since the loans were incurred.

This Office has no record of any assignment of the contracts pursuant to the mining lease and option to purchase agreement of January 1, 1977 between Donald E. Jung and Kathryn Jung as lessor and Newpass Resources Ltd.

If you have any questions regarding these contracts please phone or write to this Office.

Sincerely yours,

H. K. Stager, OME, Region II

cc: OME Dockets 6699/6907
OME, Denver

HK 8/20/79

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

August 14, 1979

Miller, McClelland & Company
800-1039-17 Avenue S.W.
Calgary, Alberta T2T 0B1
Canada

Re: OME-6699 & OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Dear Sirs:

Mr. L. P. Lees, Secretary of Newpass Resources Ltd, has requested that we provide you a statement concerning the following information on the subject OME loans as of February 28, 1979.

Contract No. 2307 for $54,468.75 had a total of $23,550.88 in interest due on February 28 and the interest rate is 8½% per annum. Contract No. 2316 for $9,540.00 had a total of $2,208.24 in interest due on February 28 and the interest rate is 10% per annum.

The Government is due a royalty of 5%, of the value when sold, on all mineral production from the property covered by the contracts. These royalty payments are applied first to pay accrued interest and the remainder is applied to reduce the principal balance.

This office has no record of any assignment of the contracts pursuant to the mining lease and option to purchase agreement of January 1, 1977 between Donald E. Jung and Kathryn Jung as lessor and Newpass Resources Ltd.

If you have any questions regarding these contracts please phone or write to this office.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Dockets 6699/6907(OME)
cc: OME, Reston
MPRF
Stager

HKStager:dt

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

January 25, 1979

IN REPLY REFER TO: Office of Minerals Exploration
Mail Stop 953

Re: OME-6699 and OME-6907
(Gold and Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Mr. Donald E. Jung
P.O. Box 69
Austin, Nevada 89310

Dear Mr. Jung:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return ~~two~~ three copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since July 19, 1976, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Is the lease with Newpass Resources, Inc., still in effect? Yes X No ___

2. Since July 19, 1976, has there been any production from the land subject to the contract? Yes ☐ No ☒

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☒

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Don Jung	*Title* Manager Newpass Resources
Address Box 69 Austin, Nv. 89310	*Date* 2-1-79

HK 7/10/78

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

July 6, 1978

Memorandum

To: Chief, Office of Minerals Exploration, Reston, VA

From: Field Officer, Region II

Subject: OME-6699 and OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts Nos. 2307-2316

An annual inspection of the subject property was made by the Field Officer on June 20, 1978.

Work at the mine since the last inspection on June 9, 1977 (report dated June 15, 1977) has consisted of exploration of the Thomas W. vein by Diamond Drilling and Drifting. Some ore is now being mined on the 340-level (not subject to OME royalty). About 8 men are employed in this work and in the preparation of a leach pad at the foot of the old mill tailings pile. The leaching of the mill tailings is expected to start during July.

The certification period on OME contract expires on December 28, 1983 and Contract 2316 expires on July 19, 1986.

H. K. Stager

Rcvd 11/1/77
HK 11/2/77

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

In Reply Refer To:
Mail Stop 953

October 6, 1977

Mr. Donald E. Jung
P.O. Box 69
Austin, Nevada 89310

Re: OME-6699 and OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts 2307 and 2316

Dear Mr. Jung:

Legislation enacted in October 1976 established new requirements concerning unpatented mining claims and affidavits of annual assessment work. Owners of unpatented claims must comply by October 22, 1979, with new procedures described in Section 314, Public Law 94-579, October 21, 1976, and in Federal Register--Title 43, Part IV of January 27, 1977. Copies of these documents are enclosed for your information. Simply stated, the new legislation requires that mining claims be rerecorded by October 22, 1979, and that certain information be filed with affidavits of assessment work.

We bring this matter to your attention for two reasons--to alert you to the need to rerecord in order to retain the claims, and to protect the Government's interest in the land and in royalty from possible production therefrom during the period of royalty obligation which continues beyond October 22, 1979.

We would appreciate being advised that you have rerecorded your claims. Accordingly, please return to us one copy of this letter dated and signed where applicable in the statement below.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

"The unpatented mining claims described in the contract cited above were recorded on Mar. 17, 1977 & Oct. 28, 1977 (date) in accordance with Section 314, P.L. 94-579."

Signature Donald E. Jung

Title Owner

Date 10-28-77

Book Master

July 22, 1977

✓ HK 7/25/77

New Pass Resources, Inc.

Calgary, Alberta

Dear Sirs,

Enclosed is a copy of the letter from Mr. Harold Kirkemo, Chief, Office of Minerals Exploration. You will note that the total liability of the OME loan as stated in the lease agreement is incorrect. The correct figure is stated in his letter and the interest rates are in your copies of the two OME contracts.

Sincerly Yours,

Don Jung

Don Jung

New Pass Mine

Austin, Nv.

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

July 12, 1977

Mr. Donald E. Jung
P.O. Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties,
Nevada
Contract 2316

Dear Mr. Jung:

A copy of the Mining Lease and Option to Purchase Agreement between Donald E. Jung, Kathryn Jung and New Pass Resources, Inc., was sent to us by Mr. H. K. Stager, Field Officer, OME Region II.

We note that the Government's rights to royalty as provided in OME Contracts 2307 and 2316 are acknowledged under Section One, Article 1.34 Assumption of OME Loan (page 4), but the total liability is incorrect. As of May 31, 1977, the loan balance on the two contracts was $64,008.75. Accrued interest on Contract 2307 on the same date was $13,546.94. Accrued interest on the second contract had not been calculated.

The lessee, Newpass Resources, Inc., should be advised of the correct principal balance on the OME contracts, and informed that royalty payments are applied first to pay accrued interest and the remainder is applied to reduce the principal balance.

The lessee should be aware of the interest rates on these contracts from the copies you have provided as Exhibits B and C.

Please send us a copy of your letter to the lessee advising of these corrections.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Region II
OME Rdg.
OME Files (6907 and 6699
Mr. Kirkemo

rec'd 6/17/77

HK 6/20/77

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

June 15, 1977

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6699 and OME-6709 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contracts Nos. 2307 and 2316

Annual Inspection

An annual inspection of the subject property was made by the Field Officer, accompanied by Mr. Donald E. Jung, on June 9, 1977.

Since completion of the OME project in December 1976, the operator has attempted to explore the Thomas W. vein by Diamond Drilling from the 490-level but without success because of inadequate equipment. He has also started a raise on the Superior vein, about 100 feet north of the 490-level crosscut and at the time of the inspection it was about 20 feet above the drift. The vein is only about 10 to 12 inches wide in the raise but contains good gold values. The Operator is also working on the mill and is revamping the grinding and screening circuit.

No ore, subject to OME royalty, has been stockpiled or milled since the completion of the contracts. The Operator is continuing negotiations with a Canadian mining company for financial backing to continue exploration, mining, and milling.

The certification period on OME contract 2307 expires on December 28, 1983, and contract 2316 expires on July 19, 1986.

H. K. Stager

rcvd 6/17/77
HK
6/20/77

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

June 14, 1977

Mr. Donald E. Jung
P.O. Box 69
Austin, Nevada 89310

Re: OME-6699 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada
Contract 2307
and OME-6907
Contract 2316

Dear Don:

I want to remind you again of the provision in your contracts (Art. 2c) that requires you to furnish the Government with two true copies of any agreement you may enter into to sell or lease the claims covered by the contracts. If, and when, your agreement with the Canadian Mining Company is finalized please send me two copies.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Reston, VA
Docket OME-6699
OME-6907
MP: RF

HKStager:dt

OME Received 1/26/77
HK 2/4/77

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

January 21, 1977

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

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 21, 1977

1. OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Operator: Donald E. Jung
P.O. Box 69
Austin, Nevada 89310

Property: Consists of eight (8) patented lode mining claims in secs. 9, 10, 15, and 16, T. 20 N., R. 40 E., MDBM, New Pass mining district, Lander and Churchill Counties, Nevada. These claims are shown on the map attached to the contract and are recorded as follows:

Name	U.S. Survey Number
Superior Lode	37A
Gold Belt No. 1	38
Golden West	2200
Gold Medal (Metal)	2200
Lander	2200
Phill Sheridan	2200
True Blue	2200
Wild Cat	2200

Ownership: The Operator owns the New Pass group of patented claims by virtue of a conveyance dated August 9, 1972, from Lotar Jung and Anita Jung. A copy of the document assigning these claims to the Operator was contained in the contract docket.

2. Purpose of Project: The purpose of the project was to explore by drifting and raising for gold-silver ore shoots associated with the Superior vein in the New Pass Mine.

3. Contract: Dated July 19, 1976, for a term of 6 months.
Original contract amount - $12,720.00
Government participation (75%) - $9,540.00

Amendments: None

4. Project Work: Started July 23, 1976. Completed on December 20, 1976.

Cost Items	Authorized			Completed	
	Units	Rate	Amount	Units	Amount
Drifting	200 ft.	$60/ft.	$12,000.00	209 ft.	$12,540.00
Timbering	50 ft.	$12/ft.	600.00	10 ft.	120.00
Assaying for gold and silver	24 spls.	$5/sple.	120.00	12 spls.	60.00
Total estimated cost of project			$12,720.00		$12,720.00
Government participation at 75%			9,540.00		9,540.00
Paid to Operator					$ 9,540.00

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

Effectiveness of the work: The footage provided for by the contract was not sufficient to adequately explore the Superior Vein. The Operator is continuing the drifting, raising, and diamond drilling at his own expense.

Efficiency of the Operator: The work was done in a satisfactory manner although at a slower rate than planned because of a shortage of skilled miners. Most of the work was done by the Operator and members of his family.

5. Reports:

Operator's Final Report: An acceptable Final Report was received on January 3, 1977.

Audits: Inasmuch as this was a short-form contract, containing only three fixed-unit cost items, an audit was not required or requested.

Final payment to the Operator was made on January 17, 1977.

Royalty Review: There was no ore milled, subject to Government royalty, during the period of the contract. A Royalty Review was not requested.

6. Project results:

Discoveries: The contract work consisted of additional drifting on the Superior Vein, from the crosscut and drift completed under the previous contract. Only a small amount of quartz was found and no ore of minable width was discovered. Grab samples of the drift rounds assayed from 0.003 to 0.20 ounce of gold and 0.03 to 0.4 ounce of silver per ton. A sample of the thin quartz vein (1-6 inches wide) for the last 15 feet of the drift assayed 0.595 ounce of gold and 0.26 ounce of silver per ton. Additional drifting and raising is justified and is planned by the Operator.

Certification: Under provisions of Annex II to the present contract the Certification of Possible Production issued on January 16, 1975 for the prior contract (OME-6699, Cn. No. 2307) was considered to extend to this project with the same force and effect as if a Certification of Possible Production had been duly issued by the Government under this contract, i.e., the project was considered to have been certified as of the date of this contract. As provided in the contract, production from the Thomas W.-Gold Belt vein is not subject to royalty payments.

Production: There was no production during the period of the contract.

Royalties: There was no ore milled or sold during the period of the exploration and no royalties were paid. When the ore stockpiled from the exploration done under the previous contract is milled royalties will be due the Government.

7. Geologic Summary: The ore bodies that have been mined in the New Pass district consist of gold- and silver-bearing ore shoots in quartz veins along steeply dipping faults that cut a massive greenstone unit in the Havallah sequence of Pennsylvanian and Permian age. The ore minerals are free gold and argentiferous lead and copper sulfides, carbonates, and oxides. The ore shoots are from a few inches to as much as 10 feet thick, but where mined averaged about 3 feet. They are as much as 300 feet in length and have been mined downdip for as much as 550 feet. Total production from the district is estimated to be about 35,000 tons of ore that averaged about 1 ounce of gold and 1 ounce of silver per ton. Most of this production came from the Thomas W. and Superior Veins.

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

✓ HK 1/4/77 1/21/77

OPERATOR'S MONTHLY VOUCHER

For Month of Dec. 1976

Docket No. OME- 6907
Contract 14-08-0001 2316
Contract Amount $ 12,720.00
Gov't. Participation % 75 $ 9540.00

Operator's Name Donald E. Jung
Address Box 69 Austin, Nv. 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
		$		$		$		$
Drifting	64 ft.	3840.00	209'	12,540.00	64'	3,840.00	209'	12,540.00
Timber	10 ft.	120.00	10'	120.00	10'	120.00	10'	120.00
Assays	12	60.00	12	60.00	12	60.00	12	60.00
TOTALS		$ 4020.00		$ 12,720.00		$ 4,020.00		$ 12,720.00

RECEIVED
JAN 3 1977
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

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

Date 29 Dec. 1976 *Payee Donald E. Jung

Per _____ Title Owner

*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 [signature] OME Field Officer 1-4-77 Date

14X0804

Approved for: $ 3015.00 (SUBJECT TO AUDIT)

Signature FAN

Date 1/17/77 Vou. No. A7255

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

Dec. 1976

FINAL REPORT

1. OME No. 6987 Gold-Silver
   Contract No. 2316
   Operator Donald E. Jung
   New Pass Mines T20N R40E Lander and Churchill Counties, Nevada.

2. The exploration work was started on the 1st. day of August, 1976 and completed on the 20th. of Dec., 1976. The work consisted of 209 ft. of drifting on the Superior fault structure. Costs are as follows:

209 ft. drifting at $60.00per ft.	$12,540.00
10 ft. of timbering at $12.00 per ft.	120.00
12 assays at $5.00 each	60.00
	$12,720.00

3. The drift followed the footwall of the fault in the hopes of finding a quartz vein of sufficient width to mine. The quartz was intermittantly disperesed along the fault. When it was found, it had free gold in it, and panned well. At no place though was it wider than 6 inches. The rock filling the fault itself was oxidized in some areas and smme was unoxidized. Grab samples of the last 50 ft. of drift were taken(as a little more quartz was showing up here) and the samples ran about 0.003 in Au and 0.03 in Ag. The quartz itself in this area assayed 0.595 Au and 0.26 Ag. No estimate of ore reserves can be made at this time. I feel that there is ore above us and we will fun some raises up-dip to check this out. No ore was produced during the project.

4. The drifting was in what you would call 'easy ground' and no unusual difficulties were encountered. In two places, small amounts of water were found where there was some cross-faulting. In one spot a drill hole ran a good stream of waterffor about 15 minutes and then quit. The project was discuraging in that more quartz was not found. What quartz was found carried values and panned well. It is our intention to drift further on the structure. We also plan on frnning a raise to the No. 4 Tunnel of the Superior workings after we run a survey of the workings to see just where we are in the new drift in relation to the No. 4 Tunnel. Also planned is 1000 ft. of diamond drilling to check the structure below our present workings. We will drill from the 490 Lv. Crosscut.

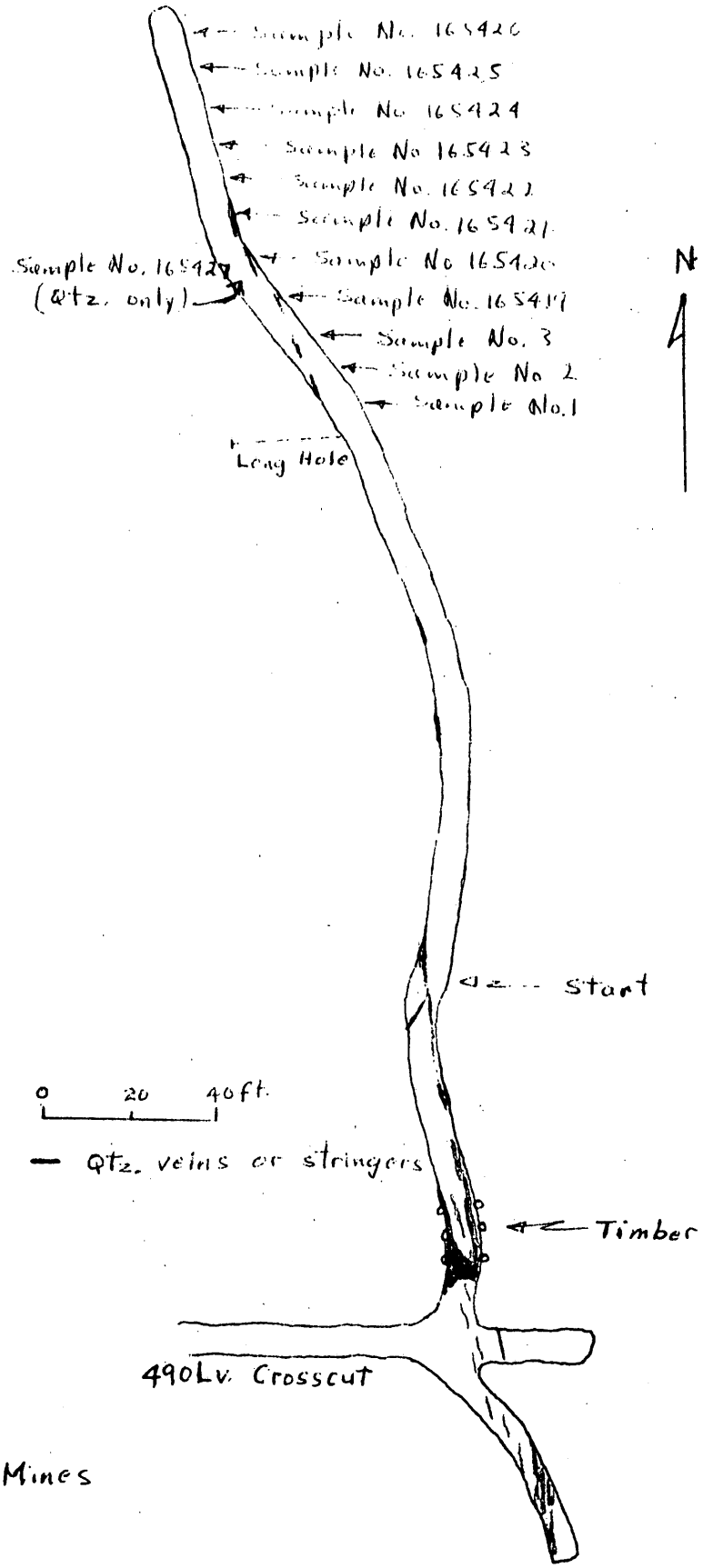
By: Don Jung Operator

Don Jung

RECEIVED

JAN 3 1977

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.



New Pass Mines
Austin, Nv.

Nevada Assay Office

675 LESTER AVENUE

Reno, Nevada

December 10, 1976

FRANK W. JONES
Assayer-Chemist

Phone
329-4080

ASSAY CERTIFICATE FOR: New Pass Mining Co., Austin, Nev.

NO.	SAMPLE	GOLD OZ./TON	SILVER OZ./TON	%	%	%	%	%
	#1	0.20	0.4	Grab samples of drift Round. See map for location				
	2	0.02	0.2					
	3	0.03	0.3					

RENO OFFICE

ROCKY MOUNTAIN GEOCHEMICAL CORP.

840 GREG STREET · SPARKS, NEVADA 89431 · PHONE: (702) 359-6311

Certificate of Analysis

RMGC Numbers:
Local Job No.: 76-29-24R
Foreign Job No.:
Invoice No.: 13119

Date: December 24, 1976

Client: New Pass Mines
Box 69
Austin, NV

Client Order No.: None

Report On: 9 rock samples

Submitted by: D. Jung

Date Received: December 20, 1976

Analysis: Gold and Silver

Analytical Methods: Analysis is determined by atomic absorption.

Remarks: None

cc: Enclosed (2)
RMGC
File

GMF:bt

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

Client New Pass Mines Date Dec. 24, 1976 RMGC Job No. 76-29-24R

Sample No.	Oz/T Gold	Oz/T Silver	
165419	-0.003	0.03	Grab samples of drift Rounds
20	-0.003	0.03	
21	0.029	0.20	
22	-0.003	-0.03	
23	-0.003	-0.03	
24	0.096	0.03	
25	-0.003	-0.03	
26	-0.003	-0.03	
165427	0.595	0.26	→ Quartz only for 3 rounds (about 15')

By Gary M. Fechko

Gary M. Fechko
Rocky Mountain Geochemical Corporation
Sparks, Nevada December 24, 1976

ROCKY MOUNTAIN GEOCHEMICAL CORP.
SALT LAKE CITY, UTAH • RENO, NEVADA • TUCSON, ARIZONA

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

January 10, 1977

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract 2316

Dear Mr. Jung:

Mr. H. K. Stager, Field Officer, OME Region II, sent us your final voucher and Operator's Final Report for this contract. We have referred the voucher to the Survey's Branch of Financial Management for review and payment. A check in the amount approved for payment should be sent to you in the near future.

As the contract will be completed upon final accounting, we direct your attention to Articles 2(c), and 6, Annex I and Annex II of the Contract, and to provisions of the Certificate of Possible Development issued January 16, 1975, under Prior Contract 2307, OME-6699, which were applied to Contract 2316. Copies of Annex I, Annex II, and the Certification are enclosed for reference.

Article 6 (erroneously referred to as Article 7 in Annex I), Annex I and Annex II of Contract 2316 obligate the Operator, Donald E. Jung, to pay royalties on all production from the land described in Contracts 2316 and 2307, to notify the Field Officer upon commencement or cessation of production, and to preserve the Government's royalty rights in the event the Operator's rights in the lands described in the contracts are transferred, surrendered, or encumbered.

Subject to payment of the final voucher referred to previously, contributions of the Government to the two contracts will total as follows:

Prior Contract	$54,468.75
Contract 2316	9,540.00
Total	$64,008.75

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Until December 28, 1983, any royalty resulting from production of minerals on lands described in these contracts will be applied first toward payment of accrued interest with the remainder applied to reduce the outstanding principal balance on the Prior Contract. In the event interest and principal are paid in full prior to that date, payments will be applied toward interest and principal on Contract 2316 whose royalty period extends to July 19, 1986.

If you have any questions regarding either of these contracts and your responsibilities for royalty payments and protection of the Government's interest, please write us.

Thank you for participating in the OME program.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

cc:
DRF
MR Rdg.
OME Rdg.
OME Files (2)
Mr. Kirkemo
Region II (2)

Rec'd 1/6/77

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

January 4, 1977

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Enclosed are the Operator's Final Voucher and Operator's Final Report for the subject project.

I recommend that the Operator's Final Report be accepted. Inasmuch as this is a fixed-unit cost contract a final cost review is not necessary. I made a final field inspection on December 29, 1976 and all of the work has been completed in a satisfactory manner.

I suggest that you write an official letter to the Operator, similar to the one you wrote to the Rex Montis Silver Company (OME-6905, Contract No. 2315) on June 1, 1976, referring to the provision of Annex II to the contract relative to certification.

H. K. Stager

Enclosures

Voucher 4020.00 Total $12,720.00

Rcvd 12/22/76
HK

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

December 16, 1976

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Dear Don:

Thank you for your note of December 8th advising that you expected to complete the OME contract work this week.

I hope to be able to visit you about Wednesday, December 29th, to make the final examination.

My best wishes to you and your family for Christmas and the New Year.

Sincerely,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Reston, VA
Docket
MP RF
HKStager:mlb

12-8-76

Dear Hal,

I have about 185 ft. of the drift completed and should be done with it by about the 16th. Some quartz came back in and although it is narrow, it pans good. I am taking samples of the drift muck. Some are in being assayed now, and I will have more.

So I should be done by the middle or end of this coming week.

Best Regards
Don

RECEIVED
DEC 13 1976
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

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

December 6, 1976

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Dear Don:

Will you please let me know, by phone or letter, when you will complete the work on your contract and when it would be convenient for you to have me make my final examination. Inasmuch as yours is the only unfinished OME contract left in Nevada, I want to be sure that the work is completed before I make the long trip out to visit you.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

cc: OME, Reston, Va.√
cc: Docket
MP RF
HKStager:mlb

✓ HK 11/19/76

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

November 10, 1976

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Interim Inspection

An Interim Inspection of the subject contract was made by the Field Officer on November 3, 1976.

Since the last inspection on October 6 (Report dated October 12, 1976) only about 10 feet of additional drifting on the Superior fault had been completed. The Operator had spent most of October locating new claims, north of the mine area, and negotiating with a Canadian mining company that is interested in a lease or purchase of the property.

Completion of the remaining 45 feet of drifting is expected during November.

H. K. Stager

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

November 10, 1976

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Cn. No. 2316

Dear Don:

I am sorry that I missed you on my last inspection trip to New Pass on November 3d. I expect to stop by again about the second week of December and hope that you will have the contract work completed by then and that I can make my final examination. You will note that the contract states the work must be completed in the six-months period ending on January 19, 1977. Enclosed is a suggested outline for your Final Report.

Will you also please note Article 2(c) of the contract concerning transfer of your interest or ownership of the property and furnishing the Government with copies of any instrument transferring your interest. If you have any questions regarding this requirement please write or phone me.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosure
cc: OME - Reston, Va.
cc: Dir RF
MP RF - OME
MR RF
Docket 6907
HKStager:mlb

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 14 1976
INITIALS | CODE
HK

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

October 12, 1976

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Interim Inspection

An Interim Inspection of the subject contract was made by the Field Officer on October 6, 1976, accompanied by the Operator.

Work on the new OME contract started on July 23, 1976, and 145 feet of drifting on the Superior Vein has been completed. All of the drift is in highly fractured rock, and there is some water seepage, but only a few sets of timber have been required. The ventilation at the drift face is poor and the Operator plans to install additional vent tubing from the crosscut to allow faster clearing of the air in the drift after blasting.

Most of the drift is along the footwall of the Superior fault and has exposed little quartz and no ore. The Operator is presently probing the fault zone with long holes to determine if vein quartz is present along the hanging wall and if this is found to be the case the drift will be turned slightly to follow the other side of the structure. The Operator pans the drill cuttings from the test holes but has not detected any gold mineralization to date. Several samples of vein material, taken near the starting point of the new drift, have been sent for assaying but the results are not yet available.

The Operator plans to finish the remaining 55 feet of drifting during October, and a Final Examination will be made in early November.

H. K. Stager

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

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OCT 13 1976
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HK 10/12/76
10/13/76

OPERATOR'S MONTHLY VOUCHER

For Month of September 1976

Docket No. OME 6407
Contract 14-08-0001 (2316)
Contract Amount $ 12,720.00
Gov't. Participation % 75 $ 9540.00

Operator's Name Donald E. Jung
Address Box 69 Austin, Nv. 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
		$		$		$		$
Drifting	30 ft.	1800.00	145 ft.	8700.00	30'	1,800.00	145'	8,700.00
TOTALS		$1800.00		$8700.00		$ 1,800.00		$ 8,700.00

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

Date 4 Oct. 1976 *Payee Donald E. Jung

Per _____ Title Owner

*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 10-8-76 Date

14X0804

Approved for: $ 1,350.00
(SUBJECT TO AUDIT)

Signature FAN

Date 10/13/76 Vou. No. A7017A

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

RECEIVED
OCT 8 1976
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

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.

September 1976

30 feet of drift was completed during the month of September and as yet no ore has been encountered. The drift entered into the footwall and I am turning to the West to get back into the fault structure. I have started 2 long-holes to the West, but as yet have found no values. One hole is out 25 ft. and the other one about 10 ft. They are still in the altered rock of the fault structure.

Don Jung

Don Jung

RECEIVED
OCT 8 1976
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

9-1648
d 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

Rec'd 9/13/76 HK
9/14/76
HK 9/16/76

OPERATOR'S MONTHLY VOUCHER

For Month of August 1976

Docket No. OME- 6907
Contract 14-08-0001 (2316)
Contract Amount $ 12,720.00
Gov't. Participation % 75 $ 9540.00

Operator's Name Donald E. Jung
Address Box 69 Austin, Nv. 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
		$		$		$		$
Drifting	65ft.	3900.00	115ft.	6900.00	65'	3,900.00	115'	6,900.00
TOTALS		$ 3900.00		$ 6900.00		$ 3,900.00		$ 6,900.00

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

Date 9-1-76 *Payee Donald E. Jung

Per _____ Title Owner

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

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

(INSTRUCTIONS ON REVERSE)

Approved as noted, subject to field examination and audit.

Signature H K Flager 9-10-76
OME Field Officer Date

14X0804

Approved for: $ 2925.00
(SUBJECT TO AUDIT)

Signature FAW

Date 9-15-76 Vou. No. AT154A
(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

BRANCH OF FINANCIAL MANAGEMENT
SEP 14 1976
RECEIVED
FISCAL ACCOUNTS

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.

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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.

31 August 1976

Progress Report-August 1976

During the month of August, 65 ft. of drift was completed. So far no vein has been found. The fault structure branched into a "Y" at about 100ft. nothe of the X-Cut and the drift is following the right hand branch. I have widened the drift in two locations in order to do some long-hole drilling to the west and east. I believe I am preeenrly off of the main structure and will determine this with long-hole drilling.

Don Jung

Don Jung

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SEP 3 1976
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

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O. M. E.
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AUG 27 1976
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HK

8/5/96

OPERATOR'S MONTHLY VOUCHER

For Month of July 1978

Docket No. OME- 6907
Contract 14-08-0001 2316
Contract Amount $ 12,720.00
Gov't. Participation % 75 $ 9540.00

Operator's Name Donald E. Jung
Address Box 69 Austin, Nv. 89310

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
		$		$		$		$
Drifting	50ft.	3000.00	50ft.	3000.00	50'	3,000.00	50'	3,000.00
TOTALS		$3000.00		$3000.00		$3,000.00		$3,000.00

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

Date 30 July 1976 *Payee Donald E. Jung

Per _____ Title Owner

*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 8-3-76

14X0804

Approved for: $ 2250.00
(SUBJECT TO AUDIT)

Signature FAW

Date 8/17/76 Vou. No. AT093A

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

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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.

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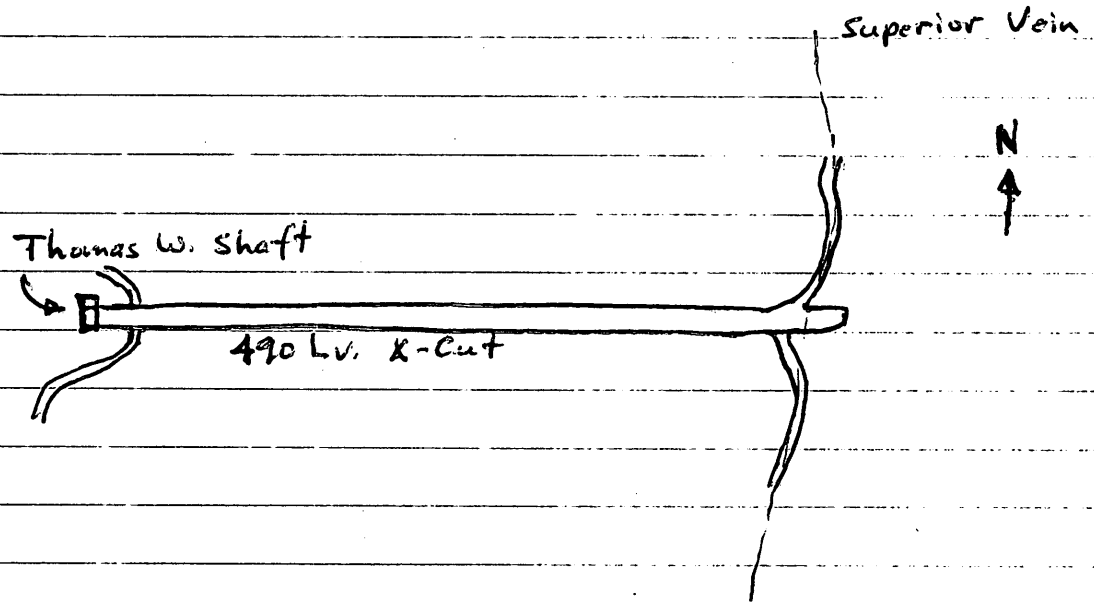
30 July 1976

During the month of July, drifting was commenced on the Superior Vein of the New Pass Mine. The work was started at a Point about 80 ft. North of the 490 level Cross-cut. 50 ft. of drift were completed and no significant mineralization was encountered.



RECEIVED
AUG 3 1976
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

TLC2316

MME Form 14
July 1965

Contract No. Idm-E 14-23) 2316

Docket No. DMEA MME) OME-6907

Date of Action August 4, 1976
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:

Donald E. Jung
Box 69
Austin, Nevada 89310

Date of Contract	Region	State	Commodity
July 19, 1976	II	Nevada	Gold-Silver

	Reserve	Obligation
Prior Amount		0
Increase		9,540.00
Decrease		0
Revised Amount		9,540.00

Remarks:

10% interest

02 AUG 03 1976

cc: 110
800
210

Customer # Set Up 8/4/76

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
AUG 2 1976

INITIALS	CODE
HK	~~HK~~

July 29, 1976

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada
Contract No. 2316

Enclosed are the Government's copy and the Branch of Financial Management's copy of the subject contract properly executed by the Operator on July 23, 1976. The remaining copies have been distributed in the usual manner.

H. K. Stager

Enclosures (2)

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

July 20, 1976

Mr. Donald E. Jung
Box 69
Austin, Nevada 89310

Re: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada

Dear Mr. Jung:

Enclosed are the original and three copies of a proposed contract to explore the New Pass mine. The contract consists of MME Form 51 (five pages), Annex I (one page), Annex II (one page), Exhibit A (two pages), Exhibit B-I (one page), and one map (Figure 1). All copies of the contract have been signed for the Government.

If the proposed contract is satisfactory to you, please sign all four copies and return to this office the Government's copy, Branch of Financial Management's copy, and Field Office's copy. The Operator's copy should be retained for your files. Also, please date and sign the Government's and the Operator's copies of Exhibit B-1.

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.

Please note that the 10 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.

Sincerely yours,

H. K. Stager
Field Officer
OME, Region II

Enclosures

cc: OME, Reston, VA.
cc: Dir RF
MP RF
MR RF
Docket
mlb (signed for HKStager)

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

July 19, 1976

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada

Enclosed are the original and three copies of a proposed contract to explore the New Pass mine. The contract consists of MME Form 51 (five pages), Annex I (one page), Annex II (one page), Exhibit A (two pages), Exhibit B-I (one page), and one map (Figure 1). All copies of the contract have been signed for the Government. 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 Donald E. Jung. Also, the Government's and the Operator's copies of Exhibit B-1 should be dated and signed by the Operator. The signed copies of the contract should be distributed as indicated.

Please advise the Applicant that 10 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

Harold Kirkemo

Enclosures

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

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

June 24, 1976

Memorandum

To: The Record

From: Chief, Office of Minerals Exploration

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada

Government funds for this second contract on the New Pass mine were obtained from unexpended funds released from two OME contracts (Contract 2315, Rex Montis, silver company; and Contract 2296, Robert J. and Lucy Kirkpatrick). This is probably the last OME contract to be executed under present circumstances because no new funds for contracts have been available since fiscal year 1974.

The combined work on the two New Pass contracts is inadequate to complete the exploration that is required to adequately explore this deposit, but the Operator is willing to undertake even a small amount of work in order to advance the exploration drift along the Superior vein.

Mr. Lotar Jung, who was a partner with his son, Donald, in the Prior Contract, died on November 18, 1974. Donald E. Jung was the active partner in the Prior Contract, and will continue his responsible activity in this second contract.

Harold Kirkemo

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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

June 21, 1976

Memorandum

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: OME-6907 (Gold-Silver)
Donald E. Jung
New Pass Mine
Lander and Churchill Counties, Nevada

Enclosed is an Application Report on the subject property recommending that a contract be granted consisting of 200 feet of drifting and/or raising, 50 feet of timbering, and 24 assays at an estimated total cost of $12,720.00 of which the Government's share would be $9,540.00.

Also enclosed are five extra copies of Figure 2, for your use if a contract is granted.

Although the proposed work will probably require about three months to complete it would probably be well to allow six months so as to avoid any amendments in case of unforeseen delays.

H. K. Stager

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

THOMAS S. KLEPPE, SECRETARY

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION II

APPLICATION REPORT

OME-6907 (Gold-Silver)
Donald E. Jung
New Pass mine
Lander and Churchill Counties, Nevada

By

H. K. Stager
OME, Region II

June 21, 1976

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Illustrations

Figure 1. Index map of Lander County, Nevada.

Figure 2. Map showing claims and proposed exploration New Pass Mine, Lander-Churchill Counties, Nevada.

INTRODUCTION

Mr. Donald E. Jung, Box 69, Austin, Nevada 89310, applied to the Office of Minerals Exploration for additional Government assistance in an exploration project, Docket OME-6907, to continue the exploration for gold and silver at the New Pass Mine, Lander and Churchill Counties, Nevada. This work was started under a previous contract, Docket OME-6699, Contract No. 2307, during the period December 1, 1972-November 9, 1974. The applicant infers the presence of minable gold- and silver-bearing ore shoots in a quartz vein, north of the point where the vein was intersected by a crosscut driven under the previous contract, and wishes to explore for these ore shoots by drifting in the vein. Footage available for drifting under the previous contract was not sufficient to adequately explore the target vein. Although the amount of work required to thoroughly explore the veins intersected by the previous contract greatly exceeds the present proposal the amount of funds available to the OME preclude a larger program.

The new application was received in the Field Office on June 11, 1976. Inasmuch as the Field Officer is familiar with the geology of the property, and all of the work accomplished during the period of the previous contract, a field examination was not necessary.

SUMMARY

The area of the New Pass Mine contains numerous gold- and silver-bearing quartz veins that occur along faults in gabbro and greenstone. The work completed under the previous contract discovered the downdip extension of a mineralized quartz vein exposed at the surface and in

underground workings on the Superior Lode claim, but the amount of drifting footage available was not sufficient to explore the vein. The additional work proposed in the new application would allow exploration of the vein to the north beneath an ore shoot that was mined in the old mine workings 300 feet above the OME level. The proposed exploration consists of an additional 200 feet of drifting and/or raising on the Superior vein, about 50 feet of timbering if necessary, and the assaying of about 24 samples for gold and silver. The work will require about 3 months to complete. Costs will be higher than in the first contract because of the distance from the shaft, increased fuel and labor costs, and probable unstable ground. Facilities for accomplishing the work are available, the project site is accessible, and the impact of the proposed work on the environment will be small.

RECOMMENDATIONS

It is recommended that the Government enter into a new contract with Donald E. Jung to provide 75 percent of the costs of the proposed program to continue the exploration of the Superior vein at the New Pass Mine. The proposed program will require about 3 months to complete, and the Government's share of the estimated total cost of $12,720 would be $9,540.00.

The Applicant requests, and I recommend, that ore in the Thomas W.-Gold Belt vein not be subject to OME royalty and that production from this vein be excluded as it was in the previous contract.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The New Pass Mine is in secs. 9, 10, and 16, T. 20 N., R. 40 E., MDBM, New Pass mining district, Lander and Churchill Counties, Nevada (Fig. 1), near the south end of the New Pass Range at an altitude of about 7,400 feet. The county line passes through the mine area and most of the workings are in Churchill County (Fig. 2).

To reach the mine, that is about 25 miles northwest of Austin (the closest town), drive 23 miles northwest on U.S. Highway 50 to New Pass summit, turn right (north) on a graded dirt road and drive about 5 miles to the mine camp. The mine road is maintained by Lander County and is passable to ordinary passenger vehicles except in winter when it may be blocked by snow or made impassable by mud for brief periods. The drive from Austin usually requires about 1 hour.

Mail and telephone service, some supplies, and mine labor are available in Austin, but most supplies, equipment, and materials are obtained from Fallon, Nevada (90 miles) or from the Reno-Sparks, Nevada area (150 miles). Water is available on the property from springs or from nearby wells. Electrical power is generated on the property by gasoline- or diesel-powered generators, but a new transmission line passes about 3 miles from the property and electrical power is expected to be available from this line in the near future. Assay service is available in Fallon, Reno, or Salt Lake City. The local wage scale for good miners is about $5-$6 per hour.

PROPERTY

History and Production

Gold was discovered and the New Pass district was organized in 1864 or 1865 by a group of miners from Austin. A small 5-stamp amalgamation mill was moved to the district from Austin in 1868 and operated for several years, treating about 12,000 tons of ore. The district was then idle until about 1900 when renewed activity resulted in the establishment of a post office at the New Pass camp and this office remained in operation until about 1904. In 1917 the Nevada Austin Mines Company constructed a cyanide mill of about 100-tons-per-day capacity, but the company was unsuccessful and the mill was sold after treating about 5,500 tons of ore. Mining was again resumed about 1930 and continued intermittently on a small scale until about 1941. Except for a brief period from 1960 to 1964, the mines in the district were inactive until 1972 when the first OME contract was started at the New Pass Mine. This exploration stimulated other mining activity in the district, and in 1973 an OME contract was granted for exploration on the adjacent Mardon property. Work on the first OME contract was completed in November 1974, but mining and development continued at the New Pass Mine during 1975 and early 1976 with ore being produced from the Thomas W. and Gold Belt shafts. This ore was milled at the small amalgamation mill on the property. At the present time a second OME contract at the Mardon property is the only activity in the district.

Total production from the district is estimated to be about 40,000 tons of ore that averaged about 1 ounce of gold and 1 ounce of silver per ton. Most of the production came from the Thomas W., Gold Belt, and Superior Mines.

Ownership

The Applicant is the owner of eight patented lode claims that comprise the major part of the property (Fig. 2):

Name	Survey Number
Superior Lode	37A
Gold Belt No. 1	38
Golden West	2200
Gold Medal	2200
Lander	2200
Phill Sheridan	2200
True Blue	2200
Wild Cat	2200

The Applicant is the owner of the New Pass Group of patented claims by virtue of a Quitclaim Deed dated September 13, 1968 from Harold R. Nelson, administrator of the estate of Wallace M. Nelson, and Merle P. Brooks, and a document dated August 9, 1972 giving all of their interest in the claims to the Applicant by Lotar and Anita Jung. The Gold Belt No. 1 and Golden West claims within the New Pass Group were acquired by the Applicant from A. J. Cooley and Edna V. Cooley through an indenture dated May 1, 1963.

All of the proposed work will be on the Superior Lode and Wild Cat claims.

Financial Eligibility

The Applicant furnished copies of letters to two banks requesting loans for the proposed work and also copies of letters denying the loans. The Applicant proposed to furnish his share of the exploration costs by furnishing supervision and engineering, use of equipment and supplies, and the balance in cash.

Development

The New Pass Mine is developed by numerous shafts, the deepest of which is the Thomas W. shaft at about 550 feet, many adits, and several miles of underground workings. The principal workings are about 4,000 feet on six levels along a vein developed by the Thomas W. and Gold Belt shafts and four drift adits with about 5,000 feet of drifts and crosscuts on the Superior vein. Most of these workings are open and accessible. The Thomas W. shaft dips about 71° to the east and passes into the hanging wall of the vein between the 240 and 340 levels. The work completed under the previous contract consisted of a crosscut, about 1,400 feet long, from the Thomas W. shaft on the 490 level east to the Superior vein, and about 200 feet of drifts on the Lander and Superior veins.

Surface facilities consist of numerous mine buildings, cabins, house trailers, and two mills. A small (10-stamp) mill on the Thomas W. claim is still intact but a newer 45-ton-per-day ball mill, with amalgamation, gravity, and flotation circuits, on the Phill Sheridan claim is in better condition and was operating during and following the previous contract. All necessary mining and milling equipment, machinery, and supplies are on hand and in operating condition.

GEOLOGY

Geologic Setting

The New Pass Range consists of chert and quartzite of the Ordocivian Valmy Formation overlain by conglomerate of the Battle Formation. These rocks have been overthrust by rocks of the Pennsylvanian and Permian Havallah sequence which are depositionally overlain by Triassic rocks.

Most of the range consists of shales, siltstones, cherts, greenstones, and some gabbro of the Havallah sequence, with some conglomerate, limestone, and siltstone of Triassic age. These rocks in general strike north and dip west in a west-dipping homocline. Volcanic rocks, chiefly ash-flow tuffs with some local units of tuffaceous sedimentary rocks, of Tertiary age overlie the sedimentary rocks in the northern, eastern, and southern parts of the district. Numerous faults have formed a series of gently east-dipping fault blocks. The gold and silver deposits occur in quartz veins along faults that cut rocks of the Havallah sequence.

Ore Deposits

The gold- and silver-bearing deposits consist of free gold, with minor amounts of silver occurring with lead and copper sulfides, carbonates, and oxides, in quartz veins along steeply dipping faults that cut a massive greenstone and gabbro unit. The veins strike north or northwest and are vertical or dip steeply east or west (Fig. 2). The ore shoots are from less than a foot to as much as 10 feet thick but where mined averaged about 3 feet. They were as much as 300 feet in length and have been mined down dip for as much as 500 feet. Most of the ore is oxidized, but some sulfide minerals are reported from the deeper levels of the mines. Gangue minerals, in addition to quartz, are iron oxides with some pyrite.

The Thomas W.-Gold Belt vein strikes N. 15° W., dips 70°-80° NE., has been mined for a strike length of about 900 feet and to a depth of more than 500 feet. The mineralization has been consistent and good ore is exposed in the lowermost workings. The Superior vein is parallel to and about 1,500 feet east of the Thomas W.-Gold Belt vein but dips

about 85° SW. It has been mined for a strike length of about 1,000 feet and to a depth of more than 300 feet. The OME crosscut, driven under the previous contract, intersected the vein about 300 feet beneath the old workings or about 600 feet below the surface. Where exposed in the crosscut and drift it strikes N. 10° W., dips 85° SW., and has slickensides that rake 30° N. The vein consists of massive white quartz from 1 to 5 feet thick with small disseminated pods of galena, tetrahedrite, and sparse visible gold.

Sampling

The application contained abundant assay data on the Thomas W. vein and the upper workings of the Superior vein. Most of the ore indicated on the assay maps has been mined and the Applicant states that the grade of the ore milled agreed closely with the assay values of the samples. It should be noted that the assay values were calculated at $35 per ounce for gold and 71¢ per ounce for silver, and at the present value for gold and silver these figures would be tripled or quadrupled.

Assays of vein material exposed in the OME drifts on the Superior vein indicate a gold content of from 0.003 to 0.543 ounce per ton and 0.03 to 6.58 ounces of silver per ton.

Ore Reserves

The Applicant estimates about 3,500 tons of indicated ore reserves, containing about 0.4 ounce of gold per ton, in the Thomas W.-Gold Belt workings. About 5,000 tons of indicated ore, with about the same average grade, is estimated to be available above the No. 4 tunnel level in the Superior workings.

About 80 tons of ore, estimated to contain about 0.25 ounce of gold and 1.0 ounce of silver per ton, was stockpiled from the OME exploration drifts on the Superior vein. The Applicant estimated about 5,000 tons of ore containing 0.30 ounce of gold per ton is presently indicated by the OME work and a Certification of Possible Production was issued on January 16, 1975. The Applicant calculates that the downward continuation of the main ore shoot, mined on the upper levels of the Superior vein, rakes to the north and will be found by additional drifting on the OME level. Inferred ore reserves in this ore shoot are about 20,000 tons of ore that averages about 0.5 ounce of gold and 1.0 ounce of silver per ton. These inferred reserves are the target of the proposed exploration.

EXPLORATION

Applicant's Proposal

The Applicant proposed to continue the exploration on the Superior vein by driving an additional 250 feet of drift and/or raise. This work including supervision and assaying was estimated to cost $16,636.50 and require about 3 months to complete.

Examiner's Proposal

I concur in the Applicant's proposal to continue the exploration of the Superior vein by drifting north along the strike of the vein. However, because of the limited funds available for the Government's contribution, only about 200 feet of drifting and/or raising can be allowed.

Since the end of the previous contract the Applicant, at his own expense, has driven about 20 feet of drift along the vein from the face of the OME work.

The Applicant did not provide for any timbering in his proposal, and inasmuch as the fault zone is highly fractured, some timber support may be required.

Mr. Jung is an experienced miner and operator with a good knowledge of mining and he employs good miners to assist him in the work. He is well qualified to undertake and supervise the work.

Proposed Exploration Costs

The application contains considerable cost data and we have the experience of the previous contract upon which to estimate costs. All costs are much higher than at the time of the previous contract in 1972. The work will all be performed on the 490 level of the Thomas W. shaft and at a distance of about 1,500 feet from the shaft station. The long tram to the shaft and the need for long ventilation, air, and water lines increase the cost greatly as do the increase in the costs of fuel, labor, steel, timber, and supplies. I estimate the cost per foot of drift or raise will be about $60 and for timbering about $12 per foot.

The Applicant did not estimate the amount of timbering that might be required and in the previous project only 45 feet was required of the 200 feet authorized under the contract. However, inasmuch as all of the proposed work will be in the Superior fault zone I believe some timbering will be required. If some or all of the timbering is not required, the excess can be utilized for additional drifting.

Cost Estimate

Fixed Unit Costs:

Drifting and raising	
200 feet at $60/foot----------	$12,000.00
Timbering, drifts, and raises	
50 feet at $12/foot----------	600.00
Assaying - 24 samples for gold	
and silver at $5/sample----------	120.00
Estimated total cost of project----------	$12,720.00
Government participation at 75 percent-------	$ 9,540.00

ENVIRONMENTAL STATEMENT

The purpose of the proposed project is to continue the exploration of the Superior vein by driving an additional 200 feet of drift on the vein. All of the work will be done at a depth of about 600 feet beneath the land surface from existing mine workings. About 400 cubic yards of rock will be brought to the surface for disposal. Part, or perhaps most, of this material will be of ore grade and will be milled or stock-piled and part will be placed on existing waste dumps or used to surface the mine access road in low areas where deep mud is present during wet weather. The mine workings are dry and there will not be any mine waters pumped to the surface for disposal. The impact of the proposed work on the environment will be small and in the case of the road surfacing can be considered as beneficial.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

(OME-6907)
(Gold-Silver)

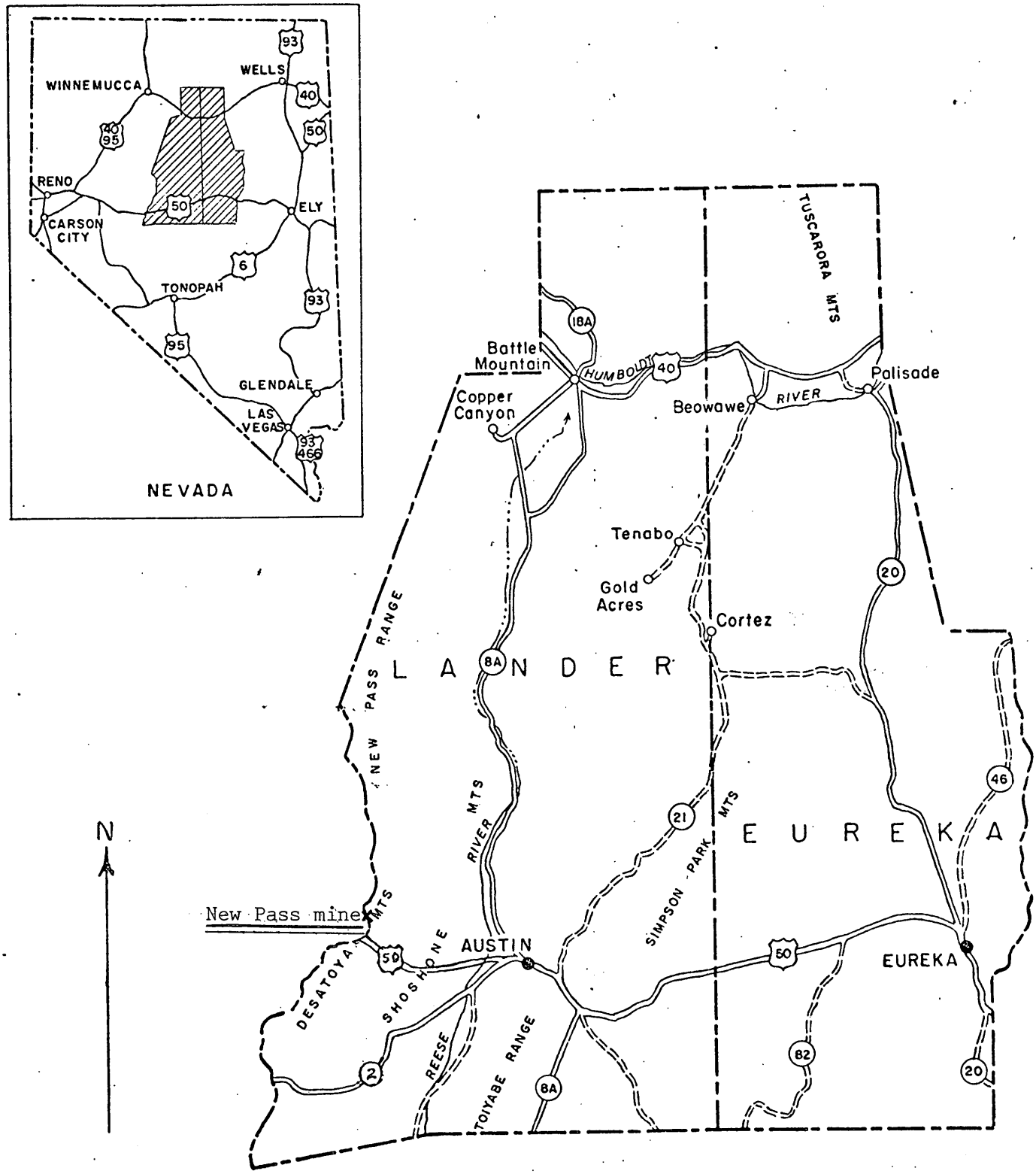


Figure 1. INDEX MAP OF LANDER AND EUREKA COUNTIES, NEVADA

0 20 40 60 Miles

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

June 14, 1976

MEMORANDUM

To: Chief, Office of Minerals Exploration
Reston, Virginia

From: Field Officer, Region II

Subject: New Application (Gold-Silver)
Donald E. Jung
New Pass Mine
Churchill and Lander Counties, Nevada

Enclosed is an application for additional financial assistance to continue the exploration started under OME-6699, Contract No. 2307. A copy has been retained for our files.

The application appears to be complete inasmuch as most of the necessary information is already in our files from the previous contract. Letters to two banks, dated June 7, 1976, and the replies, are attached. The Operator's performance under the completed contract was excellent. You will recall that nearly all of the footage authorized by the previous contract was needed to reach the Superior Vein and insufficient footage was available to explore the target. Although more drifting and raising will be required to adequately explore the Superior Vein than the amount requested by the Operator, insufficient OME funds preclude consideration of a larger amount of footage.

I will immediately prepare a supplemental application report recommending approval of a new contract for the proposed work.

H. K. Stager

Enclosure

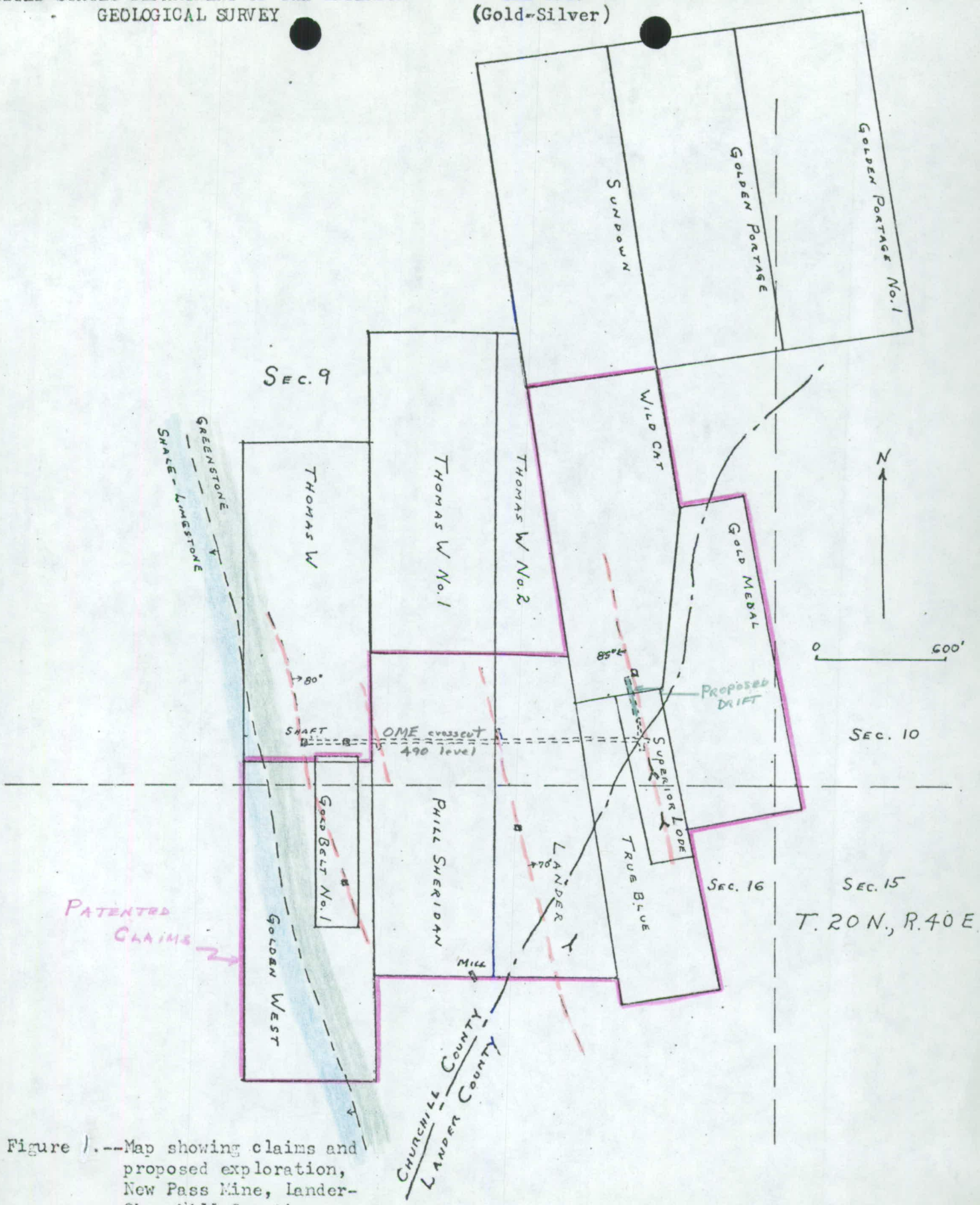


Figure 1.--Map showing claims and proposed exploration, New Pass Mine, Lander-Churchill Counties, Nevada

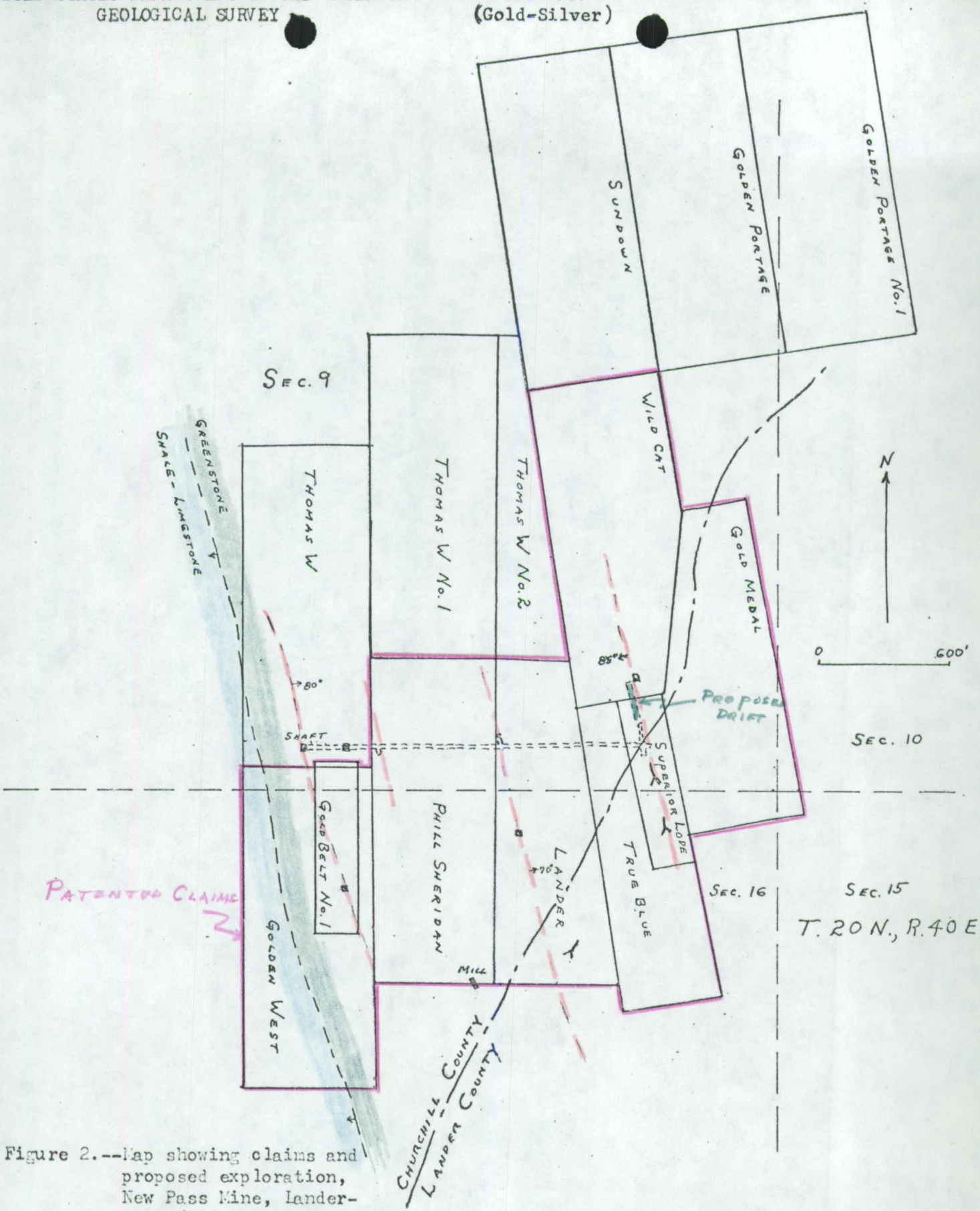
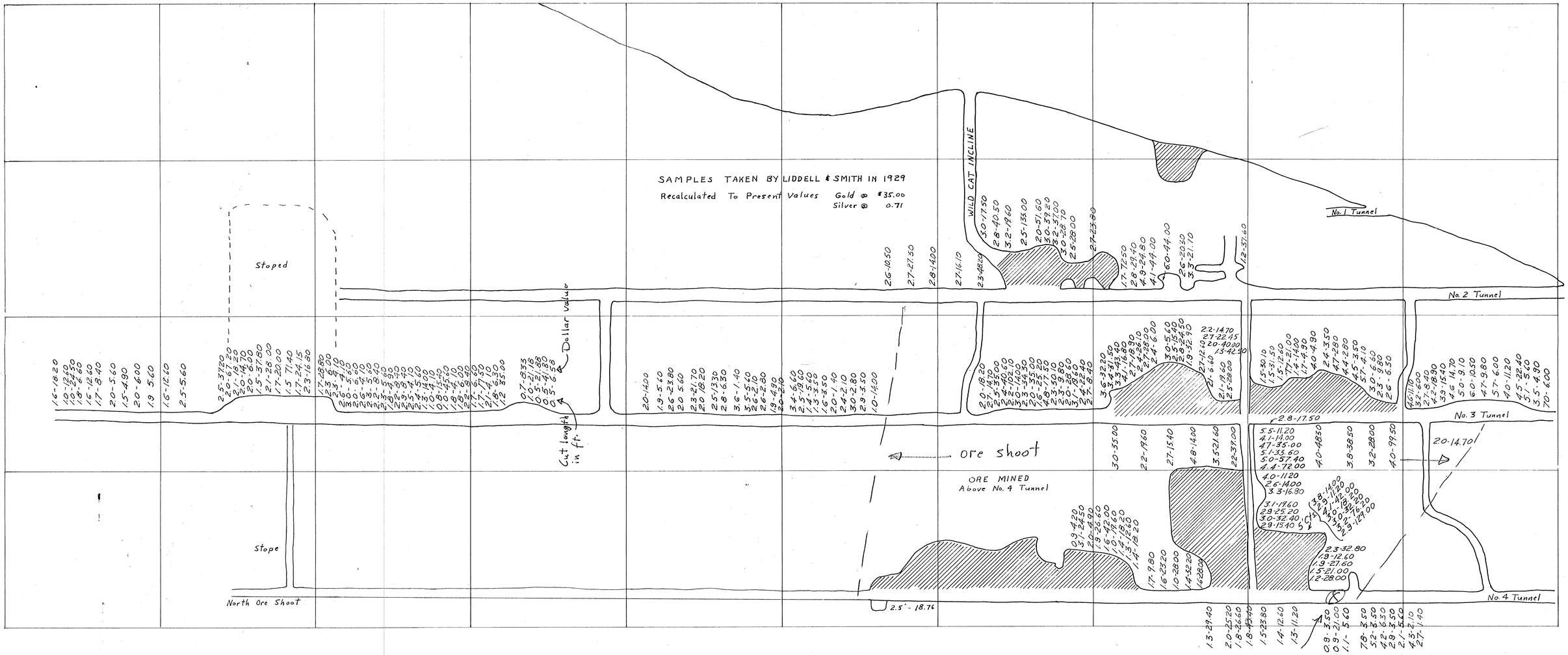


Figure 2.--Map showing claims and proposed exploration, New Pass Mine, Lander-Churchill Counties, Nevada



NEW PASS GOLD MINES INC.

ASSAY MAP-SUPERIOR VEIN

Scale ~ 1" = 30'

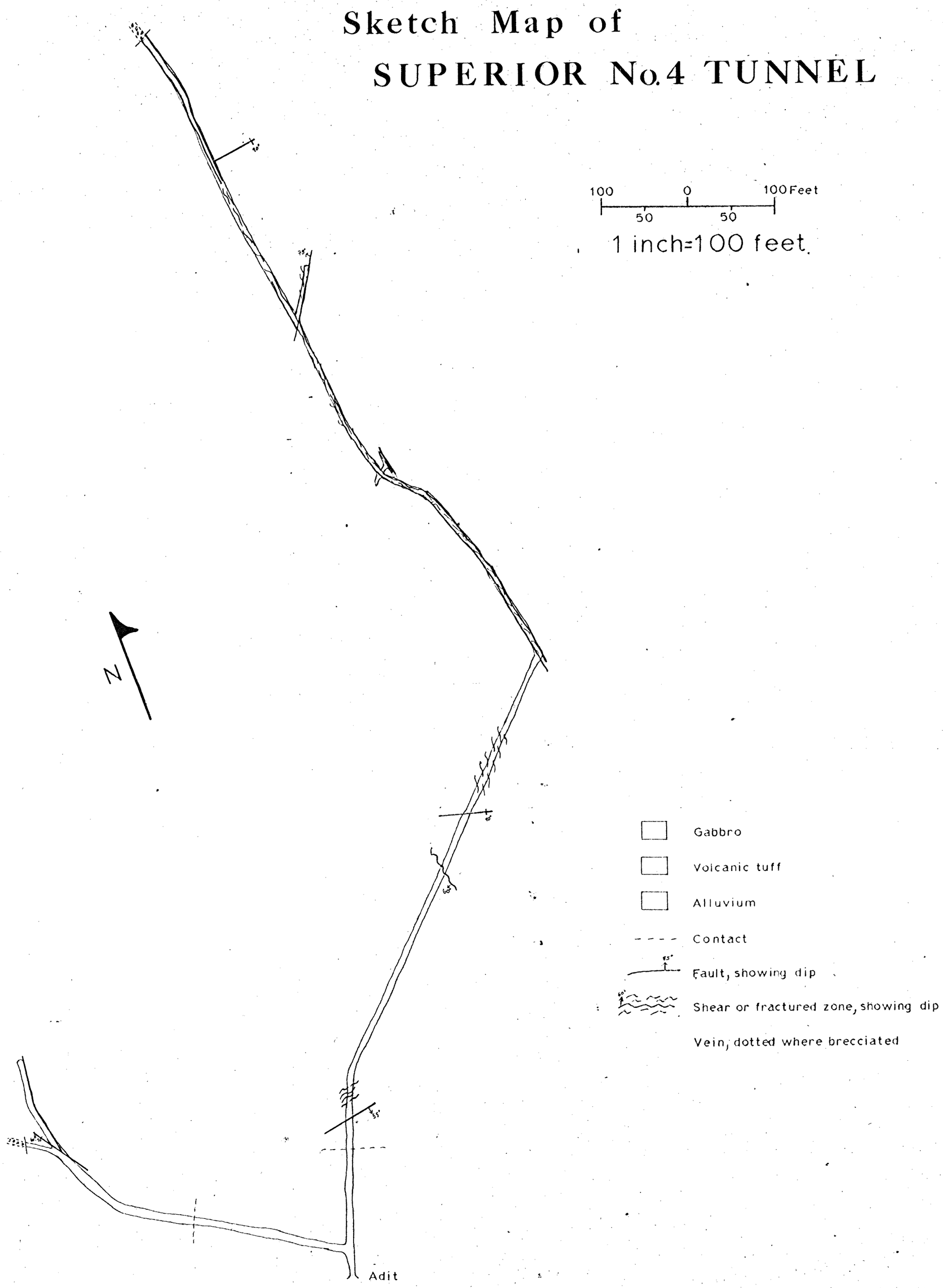
Sept, 1929.

3. (a), (b), (d), (c), (g)

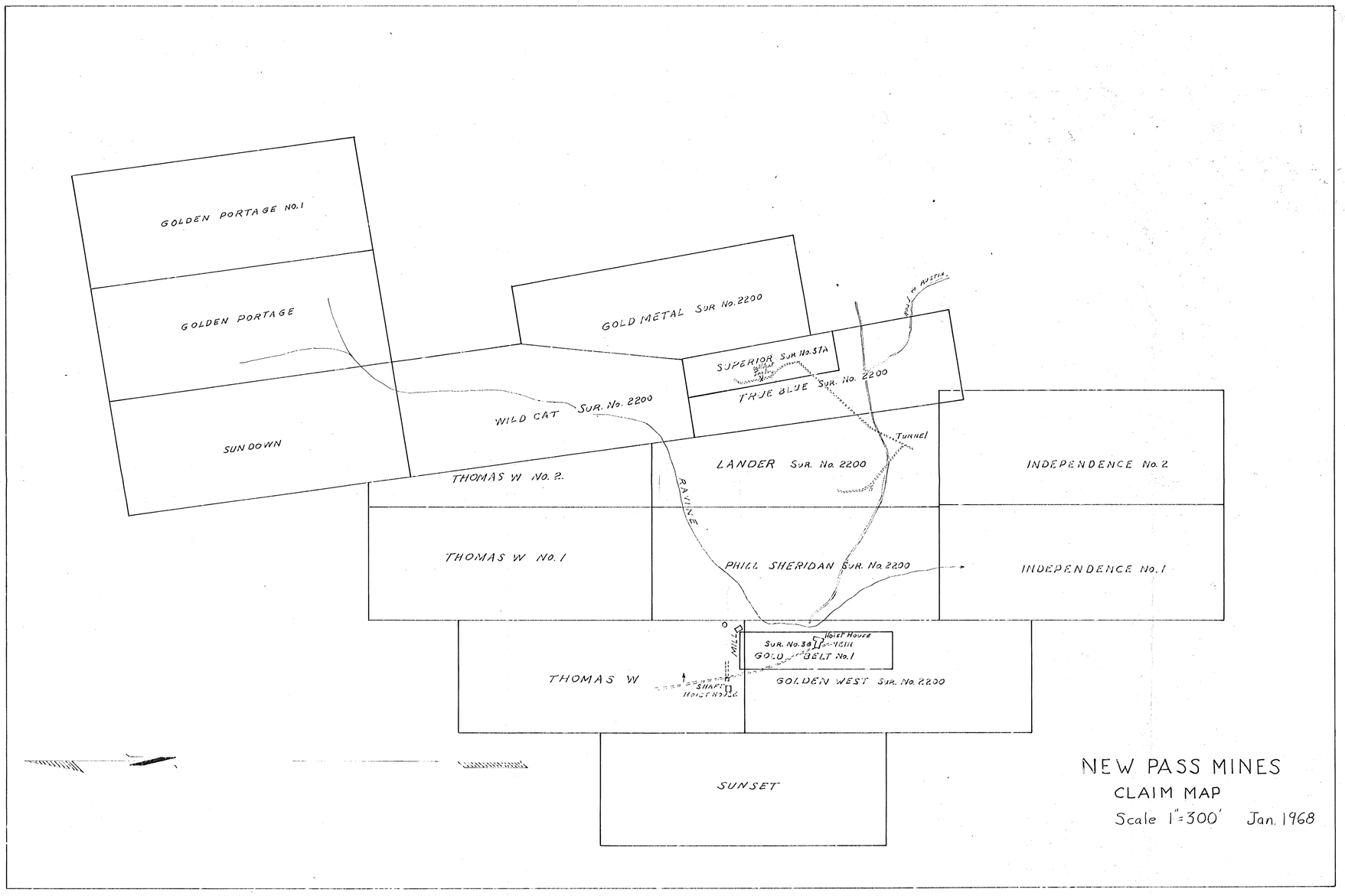
Don Jung
New Pass Mine Austin, Nv. 89310

PLATE 6

Sketch Map of SUPERIOR No.4 TUNNEL

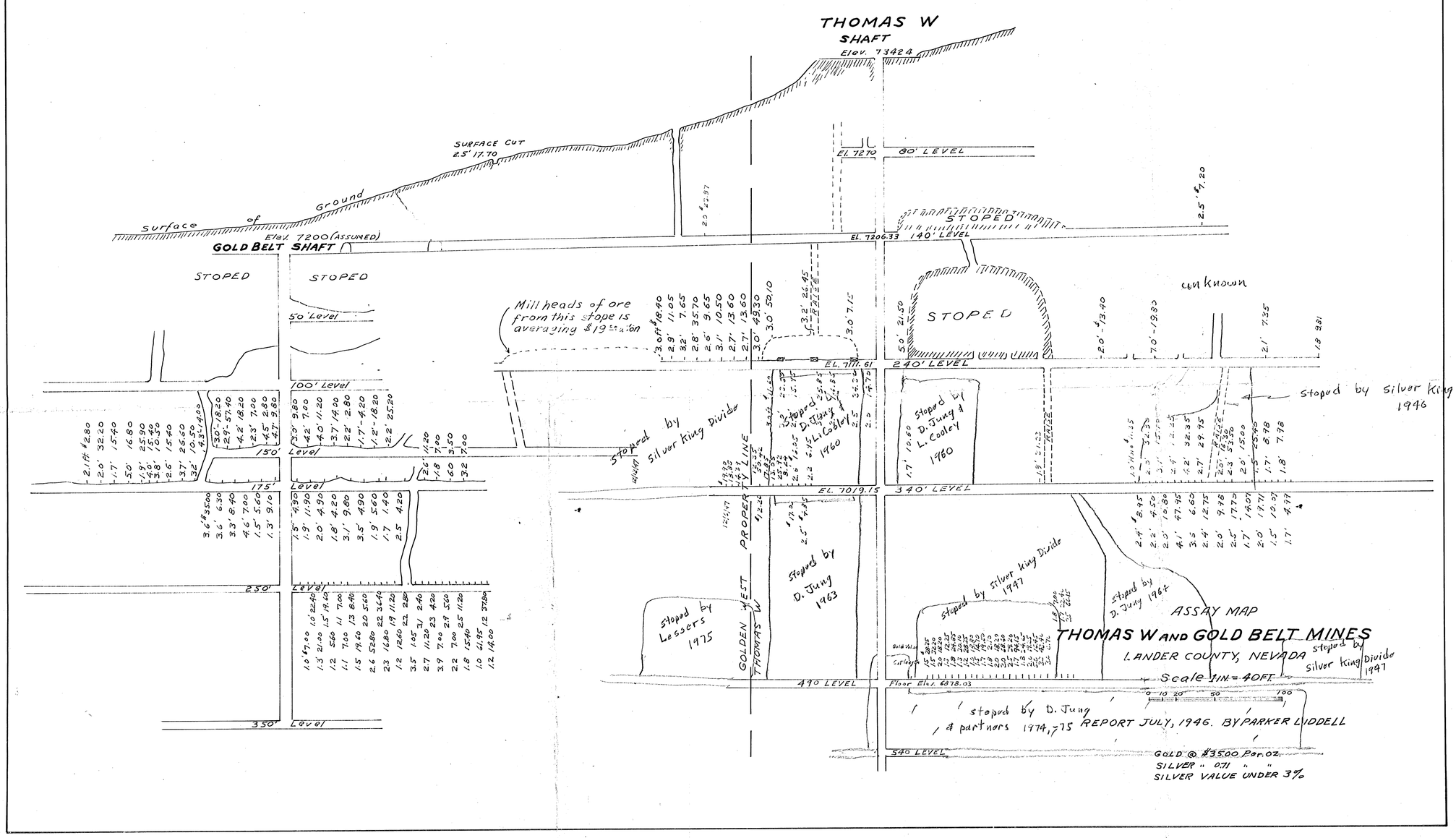


Mine map and geology by Kendrick C. Fink July, 1975



NEW PASS MINES
CLAIM MAP
Scale 1" = 300' Jan. 1968

2. (B)



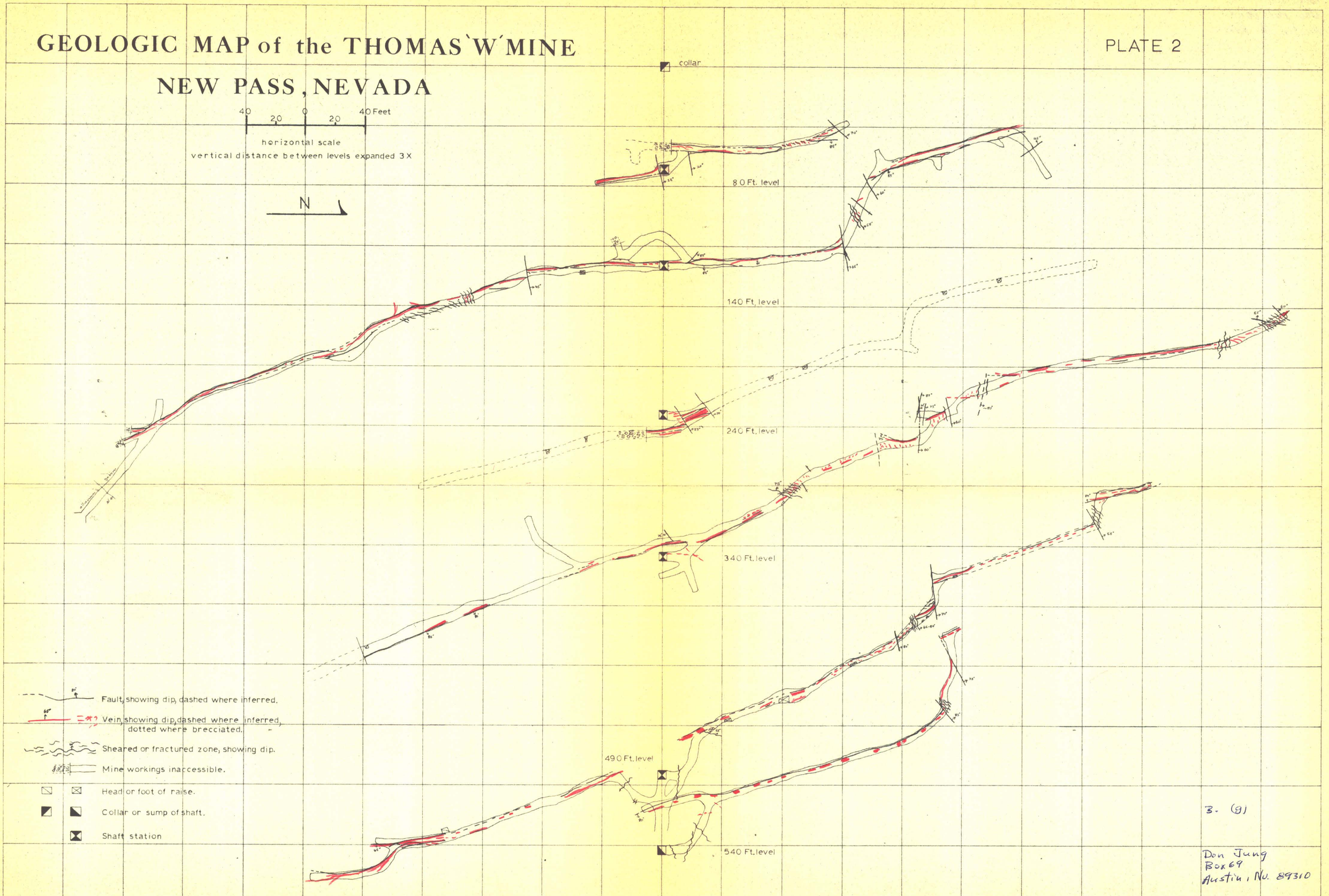
3. (a), (b), (d), (e), (g)

Don Jung
New Pass Mine
Box 69
Austin, Nv. 89310

GEOLOGIC MAP of the THOMAS 'W' MINE

NEW PASS, NEVADA

PLATE 2

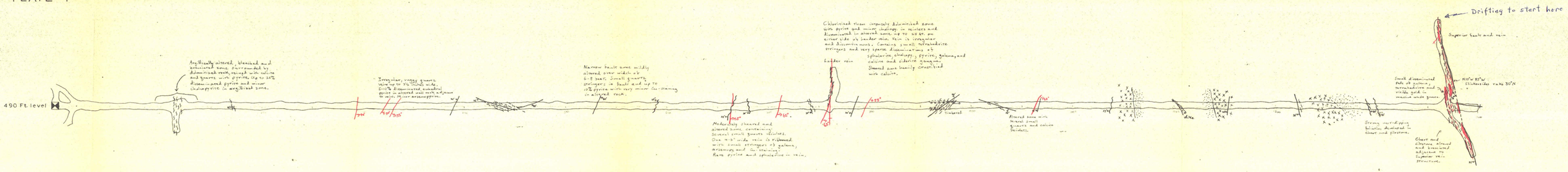


3. (9)

Don Jung
Box 69
Austin, Nv. 89310

Mine map and geology by Kendrick C. Fink July, 1975

PLATE 4



Gabbro

Chert and siltstone

Contact, dashed where approximate

Fault, showing dip, and rake of striations

Shear or fractured zone, showing dip

Vein, showing dip; dotted where brecciated

490 Ft. level shaft station

N

GEOLOGIC MAP of the 490 Ft. LEVEL CROSSCUT THOMAS W MINE, NEW PASS, NEVADA

40 20 0 20 40 Feet

1 inch = 40 feet

Mine map and geology by Kendrick C. Fink, July, 1975

3. (a), (b), (d), (e), (g)
5, (a)

Don Jung
New Pass Mines
Box 69
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