RECISSION OF EXPLORATION PROJECT CONTRACT BY
AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 4th day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Heber Lion Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E219, Docket No. DMEA 1402X, dated December 3, 1951, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By W. K. King

HEBER LION MINING COMPANY

By Summer Hatch.
Secretary

Docket No. 1102

Commodity Copper

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 210

Date of Contract ~~or Amendment~~: December 3, 1951

Name and Address of Operator:
Roberts Lion Mining Co., Inc.
P. O. Box 1[illegible]
Yerington, Nevada

Amount of Government participation $2,500.00

Percent of Government participation 50 %

Region: IV State: Utah

Please release $2,500.00

J. L. (Name) Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 9/10/52

13908

MF-200
(June 1951)

Docket No. DMA 1402X
Commodity Copper
Idm-E219

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.
JAN 21 8 19 PM '52

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 3rd day of December, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Heber Lion Mining Co., a Corporation
c/o Sumner Hatch, Secretary Treasurer
P. O. Box 184
Yerington, Nevada
hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Utah, County of Wasatch described as follows: [3] 11 Patented mining claims located in the Snake Creek Mining District T3S., R3E., SLB & M designated as follows: Mineral Survey #5790 composed of Treasure No. 1, 2, 3 and 4; Minerals Survey #5792 composed of Lion No. 1, 2 and Lion Mine No. 3, Mineral Survey #5793 composed of Silver Bell, Wide West, Lone Star and Mountain View.
with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

(*b*) ~~[illegible]~~.

3. *Exploration project.* The Operator, within 160 * days from the date of this contract shall commence work on a project of exploration for [5] copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] nine (9) months * from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

* Project to be completed within 4 months after actual starting but time allowance included as work cannot be started until weather permits.

16—64066-2

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $2,500.00, which is 50 percent of the agreed estimated total cost of this project, $5,000.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Heber Lion Mining Company, Inc.
(Operator)

By Glen S. Walch, President

By C. Mittendorf
Acting Administrator
Defense Minerals Exploration Administration

EXHIBIT "A"

Exploration Project:

The Operator proposes to explore the main east-west fissure along the diorite-limestone contact by bulldozer stripping and trenching followed by diamond drilling at favorable locations on the surface. The proposed program to require 3 days of bulldozer operation and 400 feet of drilling.

It will be necessary to recondition approximately 1/8 of access road to the project site and this work is included in the three day operation of the bulldozer.

The approximate location of the work is indicated by area marked "C" on attached "Plat" and the topography, geology and present workings are shown on attached "Geologic Map".

Fixtures and Improvements:

The only cost of this nature allowable is the access road repair which is to be included in the cost of bulldozer operation.

Operating Equipment:

To be Rented:

Operating equipment to be used on the project consists of one bulldozer to be rented at an estimated cost of $80 per day which includes operator, all necessary supplies, repairs and attachments.

A diamond-drill unit is to be rented on the basis of $10 per foot of drilling and the per foot cost is to include all labor, supplies, repairs and attachments required for the drilling.

To be Purchased:

None

To be furnished by the Operator:

None

Labor and Supervision:

All labor is to be furnished with operating equipment as listed above.

1 Engineer-supervisor is allowable at $250 per month for two months.

Rehabilitation and Repair:

None

Miscellaneous Costs:

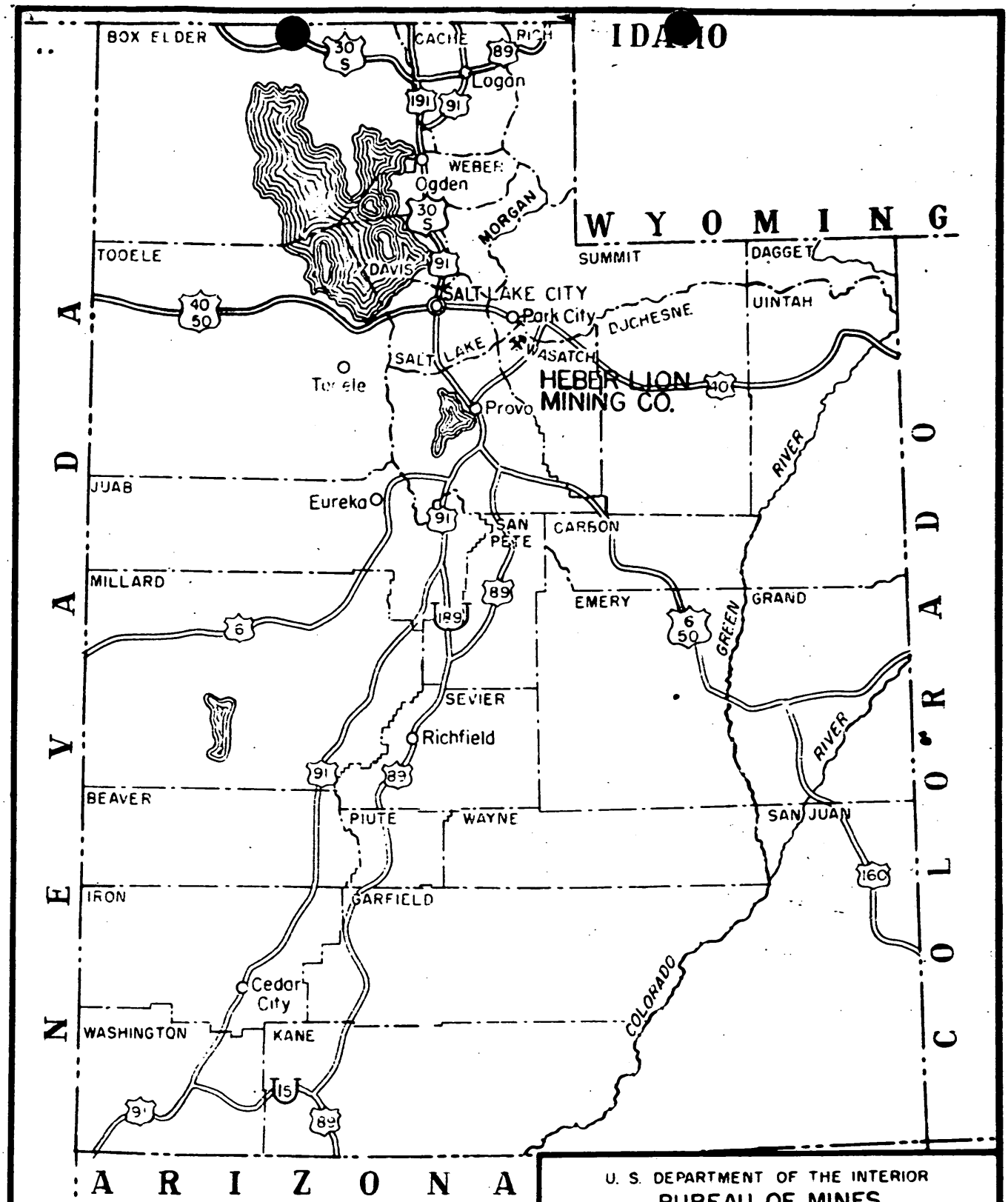
The cost of transportation of the bulldozer to and from the project site is estimated and allowable to the amount of $40.

The cost of miscellaneous materials, assay fees, and services in connection with the satisfactory presentation of reports as required by the contract form is allowable to the amount of $220.

Estimated Total Cost of the Project:

The costs of the project in which the Government will participate are limited to those stated in Article 10 of the contract form. The following estimate of costs is for the purpose of determining the maximum liability of the Government, under Article 13 of the contract form.

Bulldozing, 3 days @ $80 per day	$ 240.00
Diamond drilling, 400 feet @ $10 per foot	4,000.00
Supervision-engineering, 2 months @ $250/mo	500.00
Transportation of bulldozer	40.00
Miscellaneous materials, assaying and services	220.00
Total -	$ 5,000.00



U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

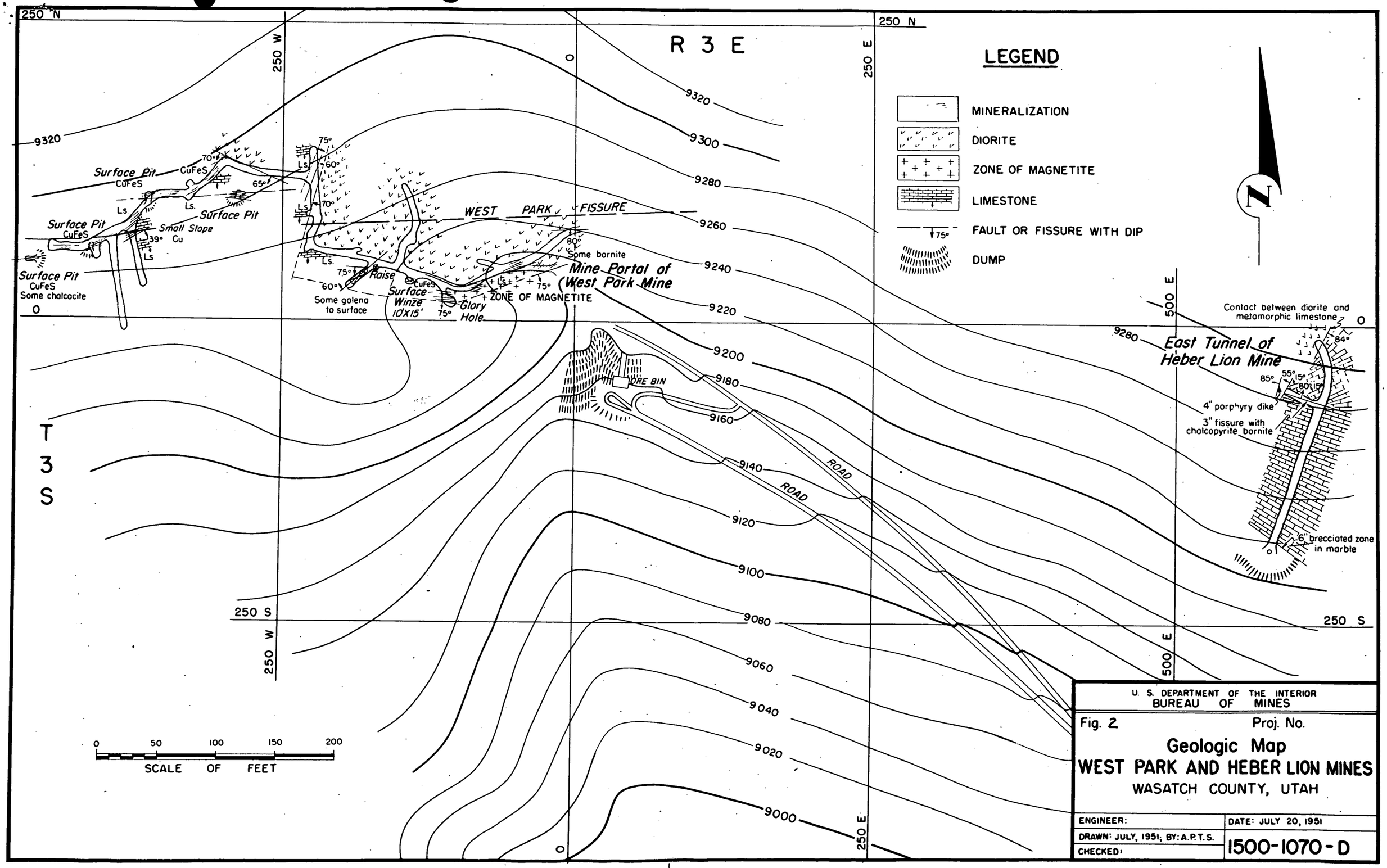
Fig. 1 Proj. No

Location Map

HEBER LION MINING CO.

WASATCH COUNTY, UTAH

ENGINEER.	DATE. JULY 23, 1951
TRACED. R.L.M.	1400-121-E
CHECKED:	

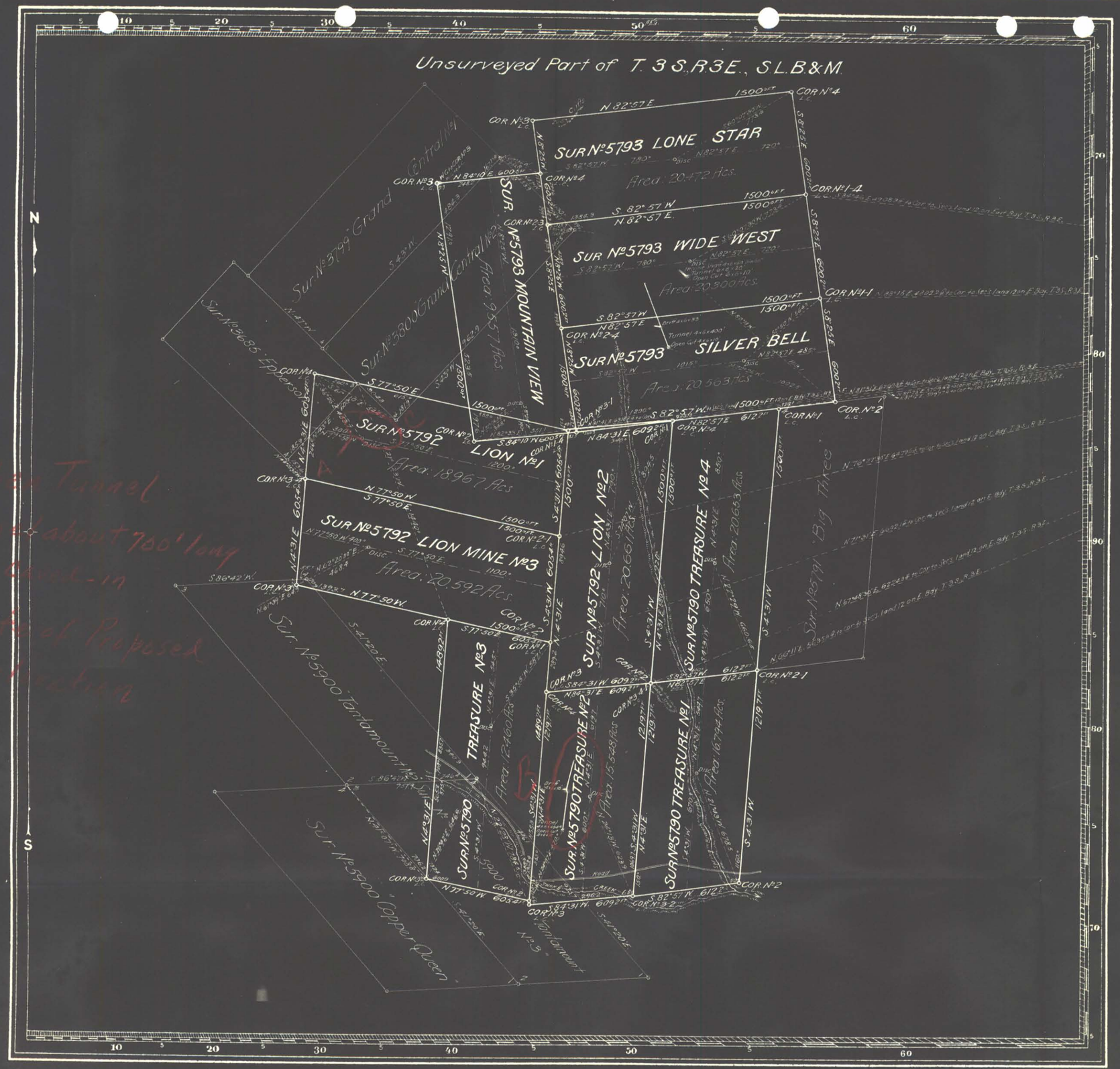


U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 2 Proj. No.

Geologic Map
WEST PARK AND HEBER LION MINES
WASATCH COUNTY, UTAH

ENGINEER:	DATE: JULY 20, 1951
DRAWN: JULY, 1951; BY: A.P.T.S.	1500-1070-D
CHECKED:	



Claim Located June 16, 1903, August 3, 1900, August 4, 1900, June 16, 1903, July 12, 1898, July 12, 1898, August 1, 1898, June 21, 1897, June 21, 1897, June 20, 1898, June 20, 1898, May 20, 1898.

Mineral Survey No. 5790, 5792, & 5793

~~Lot No.~~

Utah Land District.

CONSOLIDATED

PLAT

OF THE CLAIM OF

A. C. Hatch et al.

KNOWN AS THE

TREASURE No. 4, TREASURE No. 1, TREASURE No. 2, TREASURE No. 3, LION No. 1, LION No. 2, LION MINE No. 3, LONE STAR, WIDE WEST, SILVER BELL, AND MOUNTAIN VIEW LODES

IN Snake Creek MINING DISTRICT, Wasatch COUNTY, Utah

Containing an Area of 196.567 Acres.

Scale of 500 feet to the inch.

Variation 16°40' East

SURVEYED September 18, 1907 - October 2, 1908. BY Byron S. Kershaw, U.S. Deputy Mineral Surveyor.

The Original Field Notes of the Surveys of the Mining Claim of A. C. Hatch et al. known as the "Treasure No. 4," "Treasure No. 1," "Treasure No. 2," "Treasure No. 3," "Lion No. 1," "Lion No. 2," "Lion Mine No. 3," "Lone Star," "Wide West," "Silver Bell," and "Mountain View" Lodes consolidated from which this plat has been made under my direction, have been examined and approved, and are on file in this Office; and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claim by claimants ——— or their ——— grantors, and that said improvements consist of three open cuts, three tunnels, two drifts and one incline shaft as described in the field notes. (Or for each location in Sur. No. 5790 & Sur. No. 5793 (B))

that the location of said improvements is correctly shown upon this consolidated plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the surveys thereof, and the same is hereby approved.

U.S. Surveyor General's Office, Salt Lake City, Utah, August 20, 1909.

Thomas Kelly
U.S. Surveyor General for Utah.

List Sheets 25, 26.

THE NORRIS PETERS CO., WASHINGTON, D. C.