MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Juab, State of Utah,

described as follows: 2/ Patened Mining Claims as follows:

Burleigh No. 179, Mammoth No. 37, West Mammoth 173, Hungarian

(North half only) No. 164, Copperopolis No. 2 No. 160

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

New Park Mining Company 3/

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

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

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

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

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

~~None~~

Lease under which New Park Mining Company is operating the property.

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

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

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

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

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

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

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

Dated this 26th day of October, 1965.

| | | | |
|---|---|---|---|
| Mammoth Mining Company | (Seal) | Mammoth, Utah | (Street) (City & State) |
| by E. Steele McIntyre<br>E. Steele McIntyre, Pres. | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |

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

Roy A. McIntyre (Corporate Seal)

Roy A. McIntyre

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No. 164, Copperopolis No. 2 No. 160

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New Park Mining Company [3]

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

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

Dated this 26th day of October, 19 65.

Gold Chain Mining Company (Seal) _____ (Street) Mammoth, Utah (City & State)

by Roy A. McIntyre
Roy A. McIntyre, Pres. (Seal) _____ (Street) _____ (City & State)

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

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

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

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

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

Robert E. Mark
Robert E. Mark (Corporate Seal)

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| Mammoth Mining Company | (Seal) | Mammoth, Utah | (Street) (City & State) |
| by E. Steele McIntyre, Pres. | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |

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

Roy A. McIntyre (Corporate Seal)

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Dated this 26th day of October, 19 65.

| | | | |
|---|---|---|---|
| | | ____ | (Street) |
| | | | (City & |
| Gold Chain Mining Company | (Seal) | Mammoth, Utah | (State ) |
| by Roy A. McIntyre | | | |
| Roy A. McIntyre, President | | ____ | (Street) |
| | | | (City & |
| ____ | (Seal) | ____ | (State ) |
| | | ____ | (Street) |
| | | | (City & |
| ____ | (Seal) | ____ | (State ) |
| | | ____ | (Street) |
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| ____ | (Seal) | ____ | (State ) |
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| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
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6. Added provisions None (State "None" or "See Annex No. ____".)

Dated this 26th day of October, 1965.

| | | | |
|---|---|---|---|
| | | (Street) | |
| Gold Chain Mining Company | (Seal) | Mammoth, Utah | (City & State) |
| by Roy A. McIntyre | | (Street) | |
| Roy A. McIntyre, Pres. | (Seal) | | (City & State) |
| | | (Street) | |
| | (Seal) | | (City & State) |
| | | (Street) | |
| | (Seal) | | (City & State) |
| | | (Street) | |
| | (Seal) | | (City & State) |
| | | (Street) | |
| | (Seal) | | (City & State) |

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

Robert E. Mark (Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of n Juab, State of Utah,

described as follows:[2] Patened Mining Claims as follows:

Burleigh No. 179, Mammoth No. 37, West Mammoth 173, Hungarian

(North half only) No. 164, Copperopolis No. 2 No. 160

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

New Park Mining Company [3]

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

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

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

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

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

None

Lease under which New Park Mining Company is operating the property.

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

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

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

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

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

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

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

Dated this 26th day of October, 1965.

| | | | |
|---|---|---|---|
| | | ____ | (Street) |
| | | | (City &) |
| Mammoth Mining Company | (Seal) | Mammoth, Utah | (State) |
| by E. Steele McIntyre | | ____ | (Street) |
| | | | (City &) |
| E. Steele McIntyre, Pres. | (Seal) | ____ | (State) |
| | | ____ | (Street) |
| | | | (City &) |
| ____ | (Seal) | ____ | (State) |
| | | ____ | (Street) |
| | | | (City &) |
| ____ | (Seal) | ____ | (State) |
| | | ____ | (Street) |
| | | | (City &) |
| ____ | (Seal) | ____ | (State) |
| | | ____ | (Street) |
| | | | (City &) |
| ____ | (Seal) | ____ | (State) |

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

Roy A. McIntyre

Roy A. McIntyre (Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Juab, State of Utah,

described as follows: 2/ Patened Mining Claims as follows:

Burleigh No. 179, Mammoth No. 37, West Mammoth 173, Hungarian

(North half only) No. 164, Copperopolis No. 2 No. 160

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

New Park Mining Company 3/

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

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

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

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

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

~~None~~

Lease under which New Park Mining Company is operating the property.

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

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

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

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

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

Dated this 26th day of October, 1965.

| | | | |
|---|---|---|---|
| Mammoth Mining Company | (Seal) | Mammoth, Utah | (Street) (City & State) |
| by E. Steele McIntyre, Pres. | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |

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

Roy A. McIntyre

Roy A. McIntyre (Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Juab, State of Utah,

described as follows:[2] Patened Mining Claims as follows:

Mammoth No. 37, West Mammoth 173, Hungarian (North half only)

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

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

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

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

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

Dated this 26th day of October, 19 65.

| | | | |
|---|---|---|---|
| Gold Chain Mining Company by Roy A. McIntyre, President | (Seal) | Mammoth, Utah | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |
| | (Seal) | | (Street) (City & State) |

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

Robert E. Mark (Corporate Seal)

Robert E. Mark

MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

Contract No. 14-23-_____ Docket No. MME-6514

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

Right Side

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

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

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

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

# NEW PARK MINING COMPANY

XXXXXXXXXXXX
SALT LAKE CITY OFFICE
904 WALKER BANK BUILDING
XXXXXXXXXXXXX

~~KEETLEY, UTAH~~
Box 230
Eureka, Utah
October 29, 1965

~~OFFICIAL~~
COPY
O. M. E.
RECEIVED
NOV 2 1965

| INITIALS | CODE |
|---|---|
| | |
| | |
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| | |
| | |

United States
Department Of The Interior
Office Of Minerals Exploration
Interior Building
Washington 25, D.C.

Dear Sirs:

Herewith is our application for financial assistance in exploring for gold, silver minerals at the Mammoth Mine in Tintic Mining District, Utah.

If additional data, maps etc. are required please contact the writer at Eureka, Utah telephone 433-6679 Area Code 801.

We are in hopes of approval at an early date, so the proposed exploration project can commence.

Yours truly,
New Park Mining Co.

E. Steele McIntyre

E. Steele McIntyre
Superintendent

ESM/jm

MME Form 40
Jan. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1968

# 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.)*

New Park Mining Company
Box 230
Eureka, Utah

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6514

DATE RECEIVED: 11/2/65

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

| NAME | ADDRESS | TITLE |
|---|---|---|
| George W. Day | Box 126, Saratoga, Calif. | President & General Manager |
| Mitchell Melich, | First Security Bldg. Salt Lake City, Utah | Vice President |
| Edward A. Pannelli, | 1694 The Alameda San Jose, Calif. | Vice President |
| Don W. Cox | 1790 East Plumb Lane Reno, Nevada | Secretary & Treasurer |
| Richard H. Krueger, | 1790 East Plumb Lane Reno, Nevada | Assistant Secretary |

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

ESTIMATED COST OF PROJECT: $ ~~XXXXXX~~ $135,586.01

| PROPERTY NAME | LOCATION COUNTY | STATE |
|---|---|---|
| Mammoth Mine | Juab | Utah |

## GENERAL INSTRUCTIONS

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

## CERTIFICATION

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

New Park Mining Company

October 27, 1965
DATED

BY *(Signature)* George W. Day

President
TITLE

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

# INFORMATION REQUIRED WITH THIS APPLICATION

## 1. Financial Eligibility:

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

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

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

## 2. Applicant's Rights in Land:

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

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

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

## 3. Physical Description:

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

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

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

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

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

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

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

## 4. Accessibility of Property:

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

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

## 5. Exploration Work:

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

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

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

## 6. Experience:

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

## 7. Estimate of Costs:

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

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

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

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

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

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

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

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

# APPLICATION FOR FINANCIAL ASSISTANCE IN MINERAL EXPLORATION

## NEW PARK MINING COMPANY

1. FINANCIAL ELIGIBILITY:

   (a) Copies of credit refusal are included herewith

   (b) None

   (c) Cash

2. APPLICANT'S RIGHTS IN LAND:

   (a) New Park mining Company is the lessee as described in the accompanying lease agreement. The property is owned by Gold Chain Mining Company and free of all liens and mortgages. For the purpose of unitization and as described in the lease agreement, The Gold Chain Mining Company has leased the property to Mammoth Mining Company, the parent company, which in turn leased the property to New Park Mining Company.

   (b) Legal description is: Section 30, Township 10 South, Range 2 West, Salt Lake Base and Meridian.

   (c) Land to explore from 2600 foot level at elevation 4549 feet above sea level.

(i)

| Claim | Patent No. |
|---|---|
| Mammoth | 37 |
| West Mammoth | 173 |
| Hungarian (North half only) | 164 |
| Copperopolis No. 2 | 160 |
| Burleigh | 179 |

(ii) Ores on and above the Mammoth Mine 2400 foot level are not part of the proposed project therefore not subject to government royalty and lien.

(iii) Adjacent land controlled by New Park Mining Company and not subject to Government royalty and liens:

| Claim | Patent No. |
|---|---|
| Harkness | 165 |
| Steel | 6749 |
| Steel No. 2 | 6845 |
| Mammoth No. 2 and 3 | 65 |
| Napolion | 3442 |
| Champiain No. 2 Amended | 174 |
| Jenkins | 93 |

New Park Mining Company controls additional land in the immediate area that is not subject to government royalty, but is not itemized herein as it is not adjacent to the proposed project.

(d) Lien and subordination agreements are included herewith.

3. PHYSICAL DESCRIPTION:

(a) The Mammoth and Gold Chain properties have been worked on the upper levels resulting in extensive mine workings. These workings are not considered to be related to the proposed exploration work, therefore, maps and descriptive material will be limited to recent operations and work directly related to the proposed exploration project.

On December 20, 1961, New Park Mining Company entered into an agreement with Mammoth Mining Company, giving New Park exclusive right to explore, develope and mine ore from the property belonging to the Mammoth Mining Company and its affiliates (known as the Mammoth unit) consisting of the Gold Chain Mining Company, the Opohonga Mining Company and the Utah Consolidated Mining and Milling Company. New Park immediately began rehabilitation of the property by installation of an electric hoist on the Mammoth shaft and an exploratory program of mapping, longhole drilling and diamond drilling. Three diamond drill holes from the lower levels intersected mineralization at a depth of about 250 feet. Assays along these drill holes indicated a mineral body containing gold, silver and copper values. The Mammoth shaft was then deepened

from the 2100 ft. level to the 2600 ft level and a drift advanced 260 feet to intersect the fissure vein of gold, silver and copper.

As exploratory work was completed northward, it was geologically determined that the productive Ophir limestone formation in the vicinity of northeast, fissuring approximately 1,370 feet southwest, would be a prime target for extensive mineralization. To explore this objective, drifting was started southwest of the main 2600 fissure developing gold, silver copper ore.

In May of 1964, it was necessary to discontinue advance southwest pending completion of negotiations with Mammoth No. 2 Mining Company relative to claims to the south that were to be included in the Mammoth unit. During this period, water encroachment on the 2600 level ceased operations and it was necessary to install a pumping system and de-water the area. This was completed in September of 1964 and progress south was continued on the 2600 foot level toward the Ophir limestone formation. Advance south along fissures continued to reveal mineralization, including native copper, pyrite and gold-silver-copper. These areas were not explored but advance continued southward

toward the main objective, the Ophir formation.

After progress in excess of 1000 feet was completed, an increased water inflow was encountered to the extent it was necessary to stop advance in favor of investigating the Ophir formation by diamond drilling from the 2400 foot level. Exploration was continued in other areas until April 1965, when the water inflow increased beyond the pumping capacity of 160 gallons per minute. The pumping capacity was enlarged to 270 gallons per minute and the level was recovered. In June of 1965, the water inflow continued to increase and it was necessary to abandon all work on the 2600 level and pull the pumps. Currently the water has risen to 83 inches above the 2600 station floor and is rising at the rate of one inch per week.

During the period of delay on the 2600 foot level, in May of 1964 a drift was started southward on the 2400 foot level. A strong southwest fissure was intersected containing minor amounts of gold-silver-lead ore occurring as fissure replacement and bedding replacement.

The bedding replacement has been determined to occur at the intersection of mineralized fissuring and the Dagmar limestone formation. As the 2400 south

heading was advanced southward to a position favorable for drilling the Ophir formation, an area containing east-west faulting, north-east fissuring and manganese-zinc alteration was revealed indicating a possi-ore horizon above the level. At the present time, this is being explored by diamond drilling.

One diamond drill hole was drilled from the 2400 foot level intersecting the favorable Ophir formation indicating only minor mineralization at this point.

Current operations at the property consist of investigating targets on the upper levels, diamond drilling above the 2400 foot level and completing development work preparatory to stoping on the 2400 foot level.

The production facilities on the property are adquate to complete the proposed exploration project and support a 100 ton per day operation.

(b) New Park Mining Company is the lessee and is sole operator of work described in (a) above.

(c) Production as listed by the U.S.G.S.:

| Mine | Tons | Au (oz) | Ag (oz) | Cu (%) | Pb (%) |
|---|---|---|---|---|---|
| Mammoth | 1,176,816 | .10 | 11.1 | 1.6 | 1.5 |
| Gold Chain | 149,341 | .30 | 5.3 ±6.50 | 3.5 ±26.60 | .5 |

The production listed for Mammoth mine includes lower grade dump and fluxing ores marketed during favorable economic periods.

(d) The irregularity of the ore deposits at the Mammoth are comparative to other mines in the district. They have never revealed a uniformity that allowed a systematic computation of ore reserves. However, by drifting, cross-cutting and raising on the 2400 and 2600 foot levels, as shown on the accompanying maps marked ore estimate, an estimated ore reserve is tabulated as follows:

| Location | Tons | Au (oz) | Ag (oz) | Cu (%) | Pb (%) |
|---|---|---|---|---|---|
| Copper Ores: | | | | | |
| 2600 | 35,000 | 1.0 | 13.0 | 1.2 | - |
| 2600 | 10,000 | .10 | 25.0 | 2.4 | - |
| Lead Ores: | | | | | |
| 2400 | 38,500 | .12 | 15.0 | 2.4 | 3.0 |
| 2400 | 11,250 | .05 | 15.0 | - | 8.0 |
| Stockpile: | | | | | |
| Copper Ore | 1,992 | .46 | 8.25 | 1.90 | - |
| Lead | 1,603 | .08 | 10.73 | - | 2.68 |

The assays are computed from daily hoisted car samples and compared with cut samples as drifting, crosscutting and raising was completed in the mineralized areas. The assay determinations were made at the mine assay office by the company employed assayer.

(e) The geology of the Tintic District has been described by Tower and Smith in the U.S. Monograph, dated 1896; by Lindgren and Loughlin in 1916 in the U.S.G.S. Professional Paper 107; by T.S. Lovering and others for publication in mining and geological journals. A new Professional Paper on the Tintic District is currently being prepared by the U. S. Geological Survey under the direction of Hal T. Morris.

The geology of Tintic Mining District, in general, is that of intensely complex structural development of a broad north-south trending syncline. The Tintic syncline encloses more than 32,000 feet of Paleozoic sediments which range in age from early Cambrian to Permian. The sediments are overlain by extrusive volcanic rocks and both the sediments and the volcanics are intruded by small dikes, sills and stocks.

The Mammoth mine is located in the southwestern portion of the trough of the syncline where a major, east-west, high-angle, normal fault bisects the syncline. The Sioux-Ajax fault, or fault zone, has 1200 to 1600 feet of displacement with the north side relatively down-thrown. The fault cuts the syncline in the vicinity of the Mammoth shaft and it divides the mine into two distinct blocks of different lithologic character.

Past production from the Main Tintic Mining District, including that from the Mammoth mine, has come principally from stratigraphic units that exist north of the Sioux-Ajax fault. However, in the East Tintic district production has come from stratigraphic units that occur in the lower levels of the Mammoth mine, south of the Sioux-Ajax fault. These formations have not been previously investigated in the Main Tintic district.

Base and precious metals (lead, zinc, copper, gold and silver) have been mined in the past. They occur in the form of oxides, mixed oxides and sulphides and as native copper, gold and silver.

In the north block of the Mammoth mine ore occurs throughout 2500 feet of stratigraphic thickness. The range includes portions of all formations from the Victoria quartzite of Devonian age through the Opex formation of Cambrian age.

Fissure replacement type ore bodies, throughout the district, generally occur along north and northeast trending fault fissures. Bedding replacement ore extends outward from the walls of the fissure in areas of favorable intersections, particularly where these intersections are located in favorable horizons.

Where fissures cut stratigraphic horizons that are not chemically favorable for replacement, mineralization is restricted to the fissure walls and is generally narrow. In the area south of the Sioux-Ajax fault, ore bearing northeast trending fissures intersect the Cole Canyon and Bluebird dolomites and no replacement of the walls takes place. For this reason there has been only limited mining activity, in the south block, above the 2400 level of the mine.

Within the zone of the Sioux-Ajax fault there is intense structural preparation. Where northeast trending fissures intersect this zone, ore deposition occurs without regard to stratigraphic favorability.

(f) The favorable Ophir formation or its equivalent has been productive in the East Tintic Mining District, Utah, and the Pioche Mining District, Nevada. The proposed project is designed to explore the Ophir formation, from the Mammoth mine, in an area of ideal geologic favorability.

On the 2400 and 2600 foot levels of the mine, a northeast trending mineral bearing fissure containing gold, silver, lead and copper has been developed that that projects into the area of proposal. The replacement occurs as both the fissure and the bedding replacement. Other intersecting faults project into the area.

The limestone member of the Ophir formation lies between impervious shale members. This limestone is the first major non-clastic sediment in the statigraphic column. Diamond drilling from the 2400 level, indicated that it can be explored by drifting on the 2600 level of the mine.

Intense alteration, in the form of bleaching, introduction of clay minerals, residual zinc and manganese and heavy amounts of secondary calcite, is present on the 2400 level as evidence of hydrothermal solutions in the project area.

Bedding replacement and fissure replacement ore bodies are expected to be encountered. The oxidized ores that are above the water table on the 2400 level should occur as primary sulphides below the water table. Gold-bearing minerals, argentite, galena and enargnite are minerals that are expected to be developed.

In summary, the area of proposed exploration has strong structural preparation, ideal stratigraphic favorability and it is transected by strong northeast trending, ore-bearing fissures.

5. EXPLORATION WORK PROPOSED:

(a) 1. Installation pumps and accessories to dewater 2600 level.

2. 950 feet drifting 6 ft. x 7 ft.

3. 650 feet crosscutting 6 ft. x 7 ft.

4. 5 diamond drill stations

5. 1900 feet diamond drilling AX wireline

(b) None

(c) Work on the project would be started within thirty days after the contract has been executed to progress according to the following tabulated schedule:

| Phase Project | Time Mo. | Length Project |
|---|---|---|
| Pump Station | 1 | 1 |
| Installation Pumping System | 1/2 | 1-1/2 |
| Dewatering 2600 level | 1/2 | 2 |
| Rehabilitation 2600 level | 1/2 | 2-1/2 |
| Drifting and Crosscutting 1600 ft. | 6 | 8-1/2 |
| Diamond Drill Stations | 1 | 9-1/2 |
| Diamond Drilling | 1/2* | 10 |

* Part of the diamond drilling to be simultaneous with other work.

6. EXPERIENCE:

New Park mining company has been an operating mining company for over thirty years. During the past 3-1/2 years, it has been actively engaged in similar exploration projects at the Mammoth mine.

The work will be under the direction of Mr. George

W. Day, President, and under the direct supervision of Messrs. E. Steele McIntyre, superintendent, and James V. Muth, geologist. A resume of the direct supervisors is as follows:

E. Steele McIntyre, B.S. Mining Engineering New Mexico School of Mines, 1941. United States Navy Engineering Officer, 1942-1946. Engineer and Mine Superintendent Combined Metals Reduction Company, 1946-1953. President Mammoth Mining Company, 1953 to present. Chief Engineer, Centennial Development Company, 1955-1964. Director, New Park Mining Company, 1963 to present. Superintendent, New Park Mining Company, 1964 to present.

James V. Muth, B.S. Mining Geology, University of Utah, 1957. Exploration Geologist, American Smelting and Refining Company, Salt Lake City, Utah, 1957-1959. Geologist New Park Mining Company, 1959 to present.

7. ESTIMATE OF COSTS:

(a) Independent Contracts-Diamond Drilling

| | |
|---|---|
| Mobilization | $500.00 |
| Drilling: | |
| 1650 feet @ $4.25 per foot AX | 7,012.50 |
| 250 feet @ $4.95 per foot AX | 1,237.50 |
| Additional Bit Cost: | |
| 1900 feet @ 0.25 per foot | 475.00 |
| Reaming: | |
| 500 feet @ $1.50 per foot | 750.00 |
| Cementing: | |
| 100 hours @ $10.50 per hour | 1,050.00 |
| Moving Allowance: | |
| 128 man hours @ $4.50 per hour | 576.00 |
| Total Diamond Drilling | $11,601.00 |

(b) Personnel Service - 2 shift basis

| Number | | Class | Rate | Period Employment |
|---|---|---|---|---|
| Supervision | 1 | Superintendent or Shift Boss | Per foot basis | 1/2 time |
| Eng. & Geol. | 1 | Geologist | Per foot basis | 1/2 time |
| Labor: | 6 | Miners | $24.15 | Full Time |
| | 2 | Hoistman | 24.15 | 1/2 time |
| | 2 | Cagers | 23.33 | 1/2 time |
| | 2 | Motorman | 23.33 | 1/2 time |
| | 2 | Mechanics | 24.97 | 1/2 time |

The New Park Mining Company is operating the property at this date and have the services available to complete the project.

(c) Included in Unit costs.

(d) Operating Equipment:

New Park Mining Company intends to furnish operating equipment necessary to complete the project except for items necessary to purchase which are as follows:

| Item | New or Used | Estimated Cost |
|---|---|---|
| 1 3 GT Pump | New | $2,100.00 |
| 1 100 H.P. Motor | New | 1,100000 |
| 2 Flyt B801 Pumps | Used | 800.00 |
| 1000 Ft. No. 6 5000 V. 3 Cond. Electrical Cable | Used | 1,000.00 |

| (Cont.) | Item | New or Used | Estimated Cost |
|---|---|---|---|
| 1 | 2300 Volt Combination Switch | Used | $ 600.00 |
| | 1650 ft. 6" Pipe | New | 4,043.00 |
| 90 | 6" Vic Couplings | New | 540.00 |
| | Valves and Fittings | New | 700.00 |
| | Miscellaneous Supplies and Fittings | New | 1,088.00 |

It has been elected to submit fixed unit costs in lieu of actual costs as provided in Paragraph 301:10 of instructions, Title 30, Chapter 11, Office of Mineral Exploration Department of the Interior.

ESTIMATE OF COSTS - Drifting and Crosscutting:

| Item | Cost per Foot | |
|---|---|---|
| Labor: | | |
| Supervision | $2.85 | |
| Engineering and Geology | 2.18 | |
| Direct Labor | 23.78 | |
| Maintenance Equipment | 2.36 | |
| Surface | 1.87 | |
| Accounting Services | 2.25 | |
| Payroll Taxes and Ins. @ 10.1292% | 3.57 | |
| Total Labor per Ft. | | $38.86 |

| (Cont.) Item | Cost per Foot | |
|---|---|---|
| Material and Supplies | | |
| Direct Supplies and Materials | 9.48 | |
| Surface and Shop Supplies | .75 | |
| Power | 5.75 | |
| Repairs Equipment Supplies | 4.56 | |
| Total Materials and Supplies | | $20.54 |
| Total Drifting and Crosscutting per foot | | $59.40 ? |

ESTIMATED COST for Excavation:

| Item | Cost per Cubic Ft. | |
|---|---|---|
| Labor: | | |
| Supervision | $0.07 | |
| Engineering And Geology | 0.05 | |
| Direct Labor | 0.57 | |
| Maintenance Equipment | 0.06 | |
| Surface | 0.05 | |
| Accounting Services | 0.05 | |
| Payroll Taxes and Ins. @ 10.2092% | 0.09 | |
| Total Labor per Cubic Foot | | $0.94 |
| Materials and Supplies: | | |
| Direct Supplies and Materials | $0.15 | |
| Surface and Shop Supplies | 0.01 | |
| Power | 0.10 | |
| Repairs Equipment | 0.10 | |
| Total Materials and Supplies per Cubic Foot | | $0.36 |
| Total per Cubic Foot | | $1.30 |

ESTIMATED COSTS to install equipment necessary to de-water 2600 level and rehabilitate 2600 foot level prior to drifting:

Excavation Pump Station - 2560 Level

| | | |
|---|---|---|
| Labor: | 60 Manshifts @ $26.33 | $1,579.80 |
| Installation 1650 ft. 6" Pipe | | |
| | 80 Manshifts @ $26.33 | 2,106.40 |
| Installation Electric Cable | | |
| | 10 Manshifts @ $26.33 | 263.33 |
| Installation Pumps | | |
| | 6 Manshifts @ $26.33 | 157.98 |
| | 12 Manshifts @ $27.25 | 327.00 |
| Installation | | |
| | Transformers Miscellaneous | |
| | Electrical Wiring | |
| | 6 Manshifts @ $27.25 | 163.50 |
| Engineering Supervision and Accounting | | 800.00 |
| | Total | $5,398.01 |

Rehabilitation 2600 Level

| | |
|---|---|
| 20 Manshifts @ $26.33 | $ 526.60 |

ESTIMATED COSTS pumping equipment not on hand and necessary to purchase.

| | | |
|---|---|---|
| 1 | 3 GT Pump | $2,100.00 |
| 1 | 100 H.P. 2300 V. Motor | 1,100.00 |
| 2 | Flyt Pumps (used) | 800.00 |
| | 1000 Ft. No. 6 5000 Volt Cables 3 Cond. (used) | 1,000.00 |
| 1 | 2300 Volt Combination Switch | 600.00 |
| | 1650 Ft. 6" Pipe Sch. 40 | 4,043.00 |
| | Valves and Pipe Fittings | 700.00 |
| 90 | 6" Vic Couplings | 540.00 |
| | Miscellaneous Fittings and Supplies @ 10% | 1,088.00 |
| | Total | $11,971.00 |

Summary of Costs for proposed project:

| | | |
|---|---|---|
| Installation Pumping System Labor | $5,398.01 | |
| Items to be purchased for pumping | 11,971.00 | 17.000 |
| Rehabilitation 2600 level | 526.60 | |
| 1600 ft. Drifting and Crosscutting @ $59.40 per ft. | 95,040.00 | |
| 8500 cu. ft. excavation for diamond drill stations @ $1.30 per cu. ft. | 11,050.00 | |
| 1900 ft. diamond drilling | 11,601.00 | |
| Total cost project | $135,586.01 | |

| | |
|---|---|
| Participation O.M.E. @ 75% | $101,689.51 |
| New Park Mining Company | $ 33,896.50 |

The Newest

# VALLEY BANK of NEVADA

P.O. BOX 2971 - RENO, NEVADA

October 7, 1965

New Park Mining Company
1790 East Plumb Lane
Reno, Nevada

Attention: Mr. Don W. Cox, Secretary & Treasurer

Gentlemen:

The Executive Committee of the Valley Bank of Nevada has reviewed your application for a $100,000. working capital loan. At this time, we feel the application must be denied.

It is our feeling that although at this time the company has a very small ratio of liabilities to capital, the terms of the suggested financing are not within the realm of the commercial bank.

The only guaranty which New Park could possibly give as to repayment is $10,000. per year after expiration of four years, which will make the term of the loan a minimum of 14 years. The tremendous growth in population during the past few years in the western United States, has placed a heavy burden on commercial banks for short-term loans. We feel that if this loan were made by a commercial bank, it would be highly criticized by the Federal Reserve as well as State of Nevada bank examiners due to the collateral position and the length of the loan.

The proposed loan in all essence would be on an unsecured basis and we feel confident that this would not stand up under bank examination.

You have suggested that the Bank could take as security to the loan your equities in pledged collateral for existing loans. However, it is our feeling that the security is now pledged to its full collateral value.

We are sorry that we can not fill your financial need at this time.

Very truly yours,

Robert J. Sullivan
President

RJS:ld

First Security Bank of Utah
NATIONAL ASSOCIATION

MAIN AT FIRST SOUTH OFFICE

SALT LAKE CITY, UTAH

October 6, 1965

Mr. Don W. Cox,
Secretary and Treasurer,
New Park Mining Company
1790 E. Plumb Lane
Reno, Nevada

Dear Mr. Cox:

We have reviewed your letter of October 1, and the accompanying material concerning your application for a loan of $100,000, to be used to assist in the financing of an exploration program at the company's Mammoth Mine.

We feel that a loan for this purpose, and with the suggested repayment program outlined in your letter, would not be a proper loan for our portfolio. We regret that we are unable to be of assistance in this case, but hope we can continue making loans for your current needs, as we have done in the past.

Sincerely,

Roscoe Grover

Roscoe Grover,
Vice President and Manager

RG:g

Longyear
E. J. LONGYEAR COMPANY
General Offices, 76 South 8th St.
Minneapolis 2, Minnesota, U. S. A.
TELEPHONE: FEDERAL 9-7631 • CABLE LONGCO

October 26, 1965

New Park Mining Company
Eureka
Utah

Attention Mr. E.S.McIntyre, Superintendent

UNDERGROUND DIAMOND CORE DRILLING AT MAMMOTH MINE, MAMMOTH, UTAH

Gentlemen:

1. In response to your request of September 22, we are pleased to submit below for your consideration our proposal for the subject project.

2. We understand that the work as now planned will consist of core drilling a minimum of 1,700 feet in several holes varying in total depth up to a maximum of 200 feet. We also understand that the material to be penetrated will consist of limestone containing highly fractured zones, some chert nodules, cavernous areas, and possibly oxide-ore filled fissures; that holes will be drilled at angles varying from minus 90° to zero degrees; and that AX-size wire line core or larger would be acceptable.

3. For this work we propose to furnish one Longyear diamond core drill of suitable capacity and design, together with the necessary accessory equipment, including AX wire line tools, required to complete the work as now planned. We further propose to operate the drill on a two shift basis, a minimum of five days per week.

4. We will carry public liability insurance covering personal injury and property damage, and Workmen's Compensation insurance, and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

5. Based upon the conditions as outlined above, we are pleased to quote as follows:

a) Diamond core drilling - employing AX wire = EX
line tools, in holes at all angles ranging
from minus 90 to zero degrees, measured
from the horizontal - 0 to 250 ft. in depth---$4.25 per foot

b) Non-core drilling- AX-size 0 to 250' in depth $2.75 per foot

c) Reaming for casing if required - all sizes----$1.50 per foot

d) Cementing, or grouting as preferred----------$10.50 per hour, plus
cost of materials used.

e) Moving allowance - In the event that a total of more than 8 hours is consumed in moving and rigging operations at the initial drill site, or in completing moving and rigging operations at any given subsequent location, it is understood and agreed that we would be reimbursed for all such excess time at the rate of $4.50 per man hour.

f) Delays for your convenience or for which you are responsible----------$4.50 per man hour

g) Mobilization and demobilization of personnel and drilling equipment----------$500.00 Lump Sum

6. OTHER PROVISIONS:

a) Should the cost of diamond bits used in the operations exceed $0.25 per foot drilled, it is understood and agreed that we would be reimbursed in full for any such excess cost.

b) It is also understood and agreed that after completing a minimum of 1700 feet of drilling, we would review our experience and depending upon the results of this study, make either a reduction in the drilling rates or submit for your approval a proposal containing an increase in drilling rates -- all based upon our experience on the drilling performed up to that time. It is further agreed that any adjustment thus made, either upward or downward, would not be retroactive.

c) It is further understood and agreed that adequate underground drill stations will be prepared by you from which diamond core drilling operations can be carried out in an efficient and workmanlike manner; and that you will also furnish at each drill hole location electrical power, ventilation, and air and water in sufficient quantities and pressures so as to permit the drilling operations to be carried out efficiently.

7. Cores will be turned over to your representative at the drill site in receptacles furnished by you.

8. Statements covering the work performed will be prepared promptly after the first of each month, and payment will be due within 20 days after date of invoice.

9. We appreciate the opportunity to quote on this project, and hope you will find our proposal acceptable. If awarded the contract, we would be prepared to commence operations within 30 days after receipt of official notice to proceed.

Sincerely,

E. J. LONGYEAR COMPANY

Vice President - Contract Drilling

MJGleason:bal

ACCEPTED:
NEW PARK MINING COMPANY

By:_____

Date:_____

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

**Boyles Bros.**
**DRILLING COMPANY**

CONTRACTORS-ENGINEERS-GEOLOGISTS
General Offices and Plant
1624 Pioneer Road P. O. Box 58 HUnter 7-7595
SALT LAKE CITY 10, UTAH

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

September 28, 1965

Reply to:

New Park Mining Company
Eureka, Utah

Attn: Mr. E.S. McIntyre

Gentlemen:

This is our proposal for drilling on the 2600 ft. level of Mamouth mine. This proposal is for approximately 1700 ft. of AX holes, each 200 ft. at five different locations.

Mobilization, drill and crews $100.00.

A. BX collar holes, @ $6.65 per ft.
B. AX, 0 to 250 ft., @ $6.25 per ft. On all holes that exceed this depth there will be an increase of .50¢ per ft. for each 100 ft. drilled over 250 ft.
C. Cementing and drilling cement, @ $14.50 per hour, plus cost of cement or cement substitutes used.
D. Delays asked for, or caused by company, would be @ $12.50 per hour.
E. Diamond bit cost in excess of $1.30 per ft., would be charged for as shown by suppliers cut out sheet.
F. Adequate water and air will be furnished to drill stations, at no cost to Boyles Bros.
G. Stations will be 17 ft. or larger, on line with hole to take care of handling AXWL equipment.

Boyles will drill two shifts per day, on a five day week.

Thank you for asking us to give prices on this work. Hope this will be sufficient for your needs.

Very truly yours,

J. F. Brennan

J.F. Brennan
Field Supt., Drilling Division

JFB:gh

(219) 872-7221

JOY MANUFACTURING COMPANY
900 WOODLAND AVENUE • MICHIGAN CITY, INDIANA 46360

October 4, 1965

AIR MAIL

New Park Mining Company
P. O. Box 320
Eureka, Utah

Attention: Mr. E. S. McIntyre,
Superintendent

Gentlemen:

Thank you for your letter of September 22, asking us to submit prices on approximately 1700 feet of drilling from five different places on the 2600 foot level of the Mammoth Mine. We submit the following prices:

| | | | |
|---|---|---|---|
| Drilling holes at an angle below horizontal | | @ | $7.75 per ft. |
| Drilling holes at an angle upward from horizontal | | @ | $9.25 per ft. |
| Reaming, if necessary - | | @ | $5.00 per ft. |
| Cementing, if necessary - | | @ | 15.00 per hr. |
| Casing lost, ordered left in place - | NX | @ | 3.00 per ft. |
| | BX | @ | 2.25 per ft. |
| | AX | @ | 1.75 per ft. |

We would expect you to furnish an ample supply of air and water at each drill site. The work would be carried on a two shift basis, five days per week.

Yours truly,

Joy Manufacturing Company

J. M. Murray, Manager
Contract Drill Division

JMM/gk

# AGREEMENT

THIS AGREEMENT, made and entered into this 20th day of December, A. D. 1961, by and between the MAMMOTH MINING COMPANY, a Nevada corporation, duly qualified to do business and own property in the State of Utah, whose principal business address is Mammoth, Utah, hereinafter referred to as "Mammoth", and the NEW PARK MINING COMPANY, a Nevada corporation, duly qualified to do business and own property in the State of Utah, whose principal business address is P. O. Box 929, Park City, Utah, hereinafter referred to as "New Park",

## WITNESSETH:

WHEREAS, Mammoth is the owner in whole or in part of certain patented lode mining claims located in the Tintic Mining District, Juab and Utah Counties, State of Utah, which claims are described in Exhibit "A", which is attached to and made a part hereof; and a map of the aforesaid patented lode mining claims so owned by Mammoth is hereunto annexed, marked Exhibit "B" and hereby referred to and by reference made a part of this agreement; and

WHEREAS, Mammoth desires to extend to New Park an exclusive right to explore the claims described in Exhibit "A" for commercial ores, metals or minerals for a period of two years from the date hereof, with New Park having the right to operate and develop the property for the joint benefit of the parties hereto for a period of twenty-five (25) years following said two (2) year exploration period, subject to certain monetary expenditures to be made by New Park as hereinafter provided during the first eight (8) years of the operational period of not less than Three Hundred and Twenty-five Thousand Dollars ($325,000.00); and

WHEREAS, New Park is willing and capable physically, technically and financially to enter upon the said properties set out in Exhibit "A", and to carry out thereon and therein an adequate and

diligent exploratory, development and mining program;

NOW, THEREFORE, in consideration of the premises and in consideration of the covenants hereinafter set out and by both parties hereto to be faithfully performed, IT IS HEREBY MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

## ARTICLE I

## DEFINITIONS

Whenever used herein, the following words and phrases shall have the following meanings:

1.1 The term "operating costs", as used in this agreement, shall mean any and all costs, expenses or expenditures incurred or made by New Park in its operation of the property, for any given year or for any period of less than one year, including but not limited to its costs, expenses or expenditures made or incurred for construction, buildings, equipment and costs of installation thereof, and including New Park's costs, expenses or expenditures made or incurred for exploration, development, mining, milling, haulage and any and all other expenses, costs or expenditures made of whatever nature for or on account of New Park's operation of the property. Such costs shall include but not be limited to:

(a) Costs of wages, supplies, salaries and other services incurred by New Park for the benefit of the property regardless of where such costs are incurred; it being understood, however, that any and all expenses or costs for services rendered in connection with the property covered hereby by New Park's engineers, geologists and other New Park personnel residing at Salt Lake City or Keetley, Utah, or somewhere other than at said property shall be based on New Park's actual cost thereof allocated on a pro rata basis with New Park's other operations. Operating costs shall include not only the costs of actual wages and salaries but shall also include Social Security and unemployment taxes, Workmen's Compensation costs, vacation pay, disability benefits, life insurance, health and accident insurance, pension costs and any and all other fringe benefits.

(b) No charge will be made for services performed by the President, General Manager and Secretary-Treasurer of New Park or for legal services rendered other than in connection with the property covered hereby and for expenses incurred in the Keetley,

or Salt Lake City, Utah, offices relative to accounting, including salaries, postage, printing and stationery, auditing, directors' expense, stock transfer expense or for general corporate expenses of New Park; provided, however, that in lieu thereof New Park shall charge five (5) per cent of total operating costs as defined herein as a management fee.

(c) Rentals for machinery and/or equipment used by New Park temporarily or for short periods of time shall be included in operating costs. Machinery and/or equipment rented from New Park or any other party for an extended period of time shall provide that the lessee thereof is given an option to purchase the same when rentals paid therefor amount to an agreed purchase price, and upon the exercise of such option said machinery and/or equipment shall become the property of the joint venture and be owned by the parties hereto equally; the rentals paid for such machinery and/or equipment prior to the exercise of said option shall be included in operating costs.

(d) The annual cost of insurance premiums for all forms of insurance protection which New Park deems prudent to carry with respect to its operation of the property, including but not limited to fire, theft, property damage, machinery breakdown, Workmen's Compensation, disability and public liability.

(e) All taxes accrued and payable arising from New Park's operation of the property; provided, however, that Federal income taxes and State Corporation Franchise taxes shall not be included as a cost of operation, it being understood that each party shall be liable for and must report and pay its share of such taxes. It is understood and agreed that Utah Mine Occupational taxes and Utah Net Proceeds or Mines Valuation taxes assessed against income earned during the period in which New Park operates the property shall be charged to the respective parties hereto, whether or not assessed in the current year or in a year subsequent to termination of this agreement.

(f) Expenses of exploration of the property incurred by New Park during the first two (2) years prior to the operational periods as provided in Article III of this agreement.

(g) It is understood and agreed that Mammoth shall make no charge for New Park's use of properties and/or facilities presently installed or situated on the properties.

(h) Operating costs shall not include any costs for legal expenses incurred by Mammoth with respect to defense of title or rights to possession of properties covered by this agreement.

1.2 The term "net smelter returns", as used in this agreement, shall mean the net amount of money including all bonus and/or premium payments received from sale of ore or concentrates after

deducting ore treatment charges, penalties, smelter charges, transportation costs and any and all charges made by the purchaser of said ore or concentrates, less any and all trucking or railway costs which may be incurred in connection with the transportation of ore from a mine or from a mill to a smelter, and less any and all umpire charges which New Park may be required to pay.

1.3 The term "net mill returns" as used in this agreement shall mean the net amount of money including all bonus and/or premium payments received from the mill or mills to which the crude ore mined under the terms of this agreement shall be sold after deducting all trucking and/or railway charges for the transportation of said crude ore from the mine to such mill or mills, and after deducting any and all umpire charges which New Park may be required to pay.

1.4 The term "net profits" as used in this agreement shall mean net smelter returns or net mill returns as defined in Sections 1.2 and 1.3 of this Article I of this agreement, less operating costs as defined in Section 1.1 of this Article I of this agreement.

1.5 The term "ore" and the term "ores" and the term "commercial ore", as used in this agreement, shall include metals and minerals of any character and shall also include clay.

## ARTICLE II

## EXPLORATION

2.1 During the period of two (2) years from the date hereof New Park shall be entitled to take possession of each and all of the patented lode mining claims set out in Exhibit "A", and shall also be entitled to take possession of the surface and of any and all buildings and other structures, except as set out in paragraph 2.5 of this Article II, situated on said properties or any part thereof, and shall also be entitled to take possession of any and all tools, machinery and equipment situated on the surface of said properties and/or situated in any and all underground openings there-

in, including the hoist and all hoisting facilities.

2.2 During said exploration period New Park shall have the right to do and perform all such work and labor, install such machinery and equipment, drive such underground drifts and other workings, and do such diamond, long-hole and other drilling, surveying and sampling, and such other acts and deeds as New Park deems advisable or desirable for or in connection with the exploration of said property at New Park's sole cost and expense. New Park shall at all times keep said property free and clear of all encumbrances and mechanics' liens.

2.3 Any and all work which may be performed by New Park under the terms of this agreement shall be performed in a good minerlike manner. New Park shall maintain and safeguard the main shaft on said property, known as the Mammoth shaft, and shall not mine or extract any ores or other materials within a distance of fifty feet from said shaft, or within such greater distance from said shaft as the State Mine Inspector from time to time may designate as being necessary to preserve said shaft. In the event New Park shall determine and agree to enlarge said Mammoth shaft or to construct another equivalent shaft in replacement thereof at such location as will be mutually agreeable to both parties hereto, New Park may after the construction of such equivalent shaft mine and remove the ore around said Mammoth shaft.

2.4 Mammoth by its duly designated agents may at all reasonable times, but at its sole risk and expense, enter upon and into said property for the purpose of inspection, surveying and mapping, and sampling any ores therein.

2.5 Mammoth hereby expressly excludes and reserves the following improvements upon and portions of said property:

The residence known as the Manager's residence now occupied by E. Steele McIntyre, the residence known as the Dunn residence now occupied by Howard McIntyre, and the

residence now owned and occupied by Mrs. Earl McIntyre, and the surface of the lands surrounding and now used in connection with said residences together with the right of ingress and egress to and from each of said residences;

Mammoth also reserves to itself sufficient space in the office building upon said property to accommodate its books and records and to accommodate one employee for the purpose of keeping said books and records; and

Mammoth also hereby reserves to itself sufficient space in the garage building on said property to accommodate two passenger automobiles with the right of ingress and egress to and from said garage building.

2.6 Mammoth shall make available to New Park for its examination any and all of Mammoth's maps of its underground workings in said properties, and allow New Park to examine any and all of Mammoth's books and records pertaining to Mammoth's or its lessee's operations in said properties including any and all geological data of which Mammoth has records, and shall at New Park's request furnish New Park any and all other or further available information relating to said properties and/or to Mammoth's operations therein or thereon.

Mammoth represents and warrants that it has good and clear title to all of the personal property covered by this agreement. Mammoth hereby warrants title to the mining claims owned by it as shown by Exhibit "A", excepting and excluding from said warranty (a) all restrictions, reservations, limitations and exclusions contained in the patents covering such mining claims, (b) all existing side line and operating agreements, (c) all existing easements and rights of way, and (d) all defects in, limitations, restrictions or objections to title enumerated in the title opinions of the attorneys for Mammoth, copies of which opinions will be furnished to New Park in the event it elects to proceed with development work as herein provided within thirty days after receipt by Mammoth of request there-

for, or which defects, limitations, restrictions or objections have been in existence for fifteen years or more; and, subject to the foregoing exceptions and exclusions, Mammoth warrants and at its cost and expense will defend New Park's right to the peaceful possession and quiet enjoyment of said mining claims against the claims of all persons whomsoever.

2.7 Mammoth shall as soon as practicable inventory all machinery, equipment, supplies and other personal property belonging to Mammoth in, upon or about said property and New Park shall designate in writing such of the same as it shall deem necessary or proper for its use and shall execute a receipt therefor, a copy of such inventory and receipt to be attached hereto as Exhibit "C". New Park may use all machinery, equipment, supplies and other property receipted for by it at any place or places on or in said property, provided New Park shall not remove the same from said property, and upon the expiration or earlier termination of this agreement shall return same to Mammoth in as good condition as when received, reasonable wear and tear from ordinary use excepted. New Park shall not, without first securing the written consent of Mammoth so to do, remove from their present location any major items of machinery and equipment such as its hoists, boilers and compressors. New Park shall not be liable or responsible for any article of personal property not selected and receipted for by it; and all such articles of personal property may be disposed of by Mammoth as it deems best, but at its own risk.

2.8 New Park shall assume all risks of every kind and nature connected with or in any manner arising or growing out of its examination, exploration, development and operation of said property, and shall forever indemnify and save Mammoth harmless of and from all claims and demands, expressly including all claims for injury to or death of any person or persons and for damage to or loss of property in any manner connected with, arising or growing

out of any act or omission of New Park in connection with its examination, exploration, development and operation of said property; and Mammoth shall not be liable or responsible for the condition or state of repair of said property or the improvements, equipment, machinery, supplies and facilities in, upon or about said property. New Park shall accept said property and said improvements, equipment, machinery, supplies and facilities in the condition and state of repair that the same now are.

2.9 On or before the expiration of said period of two (2) years, New Park shall notify Mammoth in writing whether New Park desires to continue in possession of said properties listed on Exhibit "A", and described on Exhibit "B", a map, and to take over the operation thereof upon the terms and conditions set out in this agreement.

In the event New Park fails to give Mammoth said written notice within the time and in the manner above provided, or in the event New Park by the giving of the aforesaid written notice shall advise Mammoth that New Park does not desire to proceed with the development of this property, this agreement and all rights of New Park therein and thereunder shall cease and terminate, and New Park shall upon giving notice that it does not desire to proceed with the development of said property, or upon the expiration of two years from the date of this agreement, whichever event shall first occur, promptly surrender to Mammoth the possession of said property and all of the improvements, machinery, equipment, supplies and facilities therein and thereon belonging to Mammoth; and within ninety (90) days thereafter New Park, subject to the conditions hereinafter set forth, shall remove from said property all improvements, machinery, and equipment placed by it in or upon said property and New Park shall have the right of free ingress and egress to and from said property for such purpose.

New Park shall not remove any track, pipe, electrical wiring

or other electrical fixtures or accessories, cables, timbering or any other underground structures of any kind or description, all of which shall remain in or upon said property and shall belong to Mammoth free of all claims or demands of New Park, and New Park shall leave all underground workings in said property in good order and condition.

## ARTICLE III

## EXPLORATION, DEVELOPMENT & OPERATIONS

3.1 In the event New Park shall have given timely written notice to Mammoth as set out in paragraph 2.8 of Article II above, of New Park's desire to proceed under the terms of this agreement New Park shall have the exclusive right to manage and control all mining claims covered by this agreement and all exploration, development and mining operations thereon or therein and shall furnish all necessary working capital with which to conduct its said operations.

3.2 It is agreed between the parties hereto that the term of the operational period contemplated under this Article shall be for twenty-five (25) years, unless sooner terminated as hereinafter provided.

3.3 New Park shall during the first five years of said operational period diligently prosecute a development program in said mining claims for the purpose of discovering and developing commercial ore bodies; and New Park agrees during each of said five years that it will expend not less than Fifty Thousand Dollars ($50,000.00), exclusive of administrative expenses and exclusive of the cost of machinery or equipment of a permanent nature, for development work which shall consist of driving drifts, raising, sinking shafts and winzes, diamond, long-hole and other drilling, and geophysical and geochemical prospecting. In the event that in any of said five years New Park shall expend for development work as herein defined more than $50,000.00, the excess of such expenditures shall be credited upon the amount to be expended in the next

succeeding year or years of said five-year period.

During each of the three years immediately following said five-year period New Park shall expend not less than Twenty-five Thousand Dollars ($25,000.00) for development work as herein defined. In the event that in any of said three years New Park shall expend for development work as herein defined more than $25,000.00, the excess of such expenditures shall be credited upon the amount to be expended in the next succeeding year or years of said three-year period.

3.4 New Park shall at all times keep an up-to-date record of all operating costs as defined in Article I of this agreement which shall be incurred by New Park in connection with its operations in or upon said properties including the cost of any and all additional buildings, mill, machinery, tools and equipment.

From and after the date on which New Park shall commence work in and upon said properties under the terms of this Article III, New Park shall furnish to Mammoth monthly progress reports showing the character, amount and cost of work performed by New Park during the preceding calendar month, and the place or places where said work was performed, and shall make available at its office for Mammoth's inspection all of New Park's sample data and geological maps in order that Mammoth may be kept currently informed as to the character and amount of work performed.

3.5 If within sixty (60) days after the expiration of the first eight (8) years of the period of operational time agreed to by the parties hereto under this Article III it is determined by Mammoth that a discovery has not been made of commercial ore of such grade or value and of such size or quantity under the then prevailing economic conditions that continued operations of the property covered by this agreement would be unprofitable, Mammoth may during the period of thirty (30) days immediately following said sixty days period terminate this agreement by giving notice in writing to New

Park of its election to terminate this agreement, unless within thirty (30) days after its receipt of said written notice New Park shall by an instrument in writing executed by its proper officers agree to continue to expend not less than $25,000.00 for development work as herein defined, or for permanent underground improvements, in each year of the remainder of said operational period, it being understood and agreed by the parties hereto that in the event New Park shall make such agreement and in any year during the remainder of said operational period shall expend more than $25,000.00 for development work as herein defined, or for permanent underground improvements, the excess of such expenditures shall be credited upon the amount required to be expended in the next succeeding year or years of the remainder of said operational period.

3.6 (a) All ores mined and extracted from the mining claims covered by this agreement, or the concentrates derived therefrom, shall be shipped and sold by New Park in its name and for its account on the best terms obtainable by either party hereto.

(b) The entire net mill or net smelter returns for all of said ores or concentrates shall be paid to New Park. Until New Park shall have been reimbursed for all funds expended by it for or in connection with its inspection, exploration, development, and operation of said mining claims, New Park shall retain 80% of said net mill or net smelter returns and shall pay the remaining 20% thereof to Mammoth, the first of which payments shall be made by New Park to Mammoth within sixty (60) days from and after New Park's first shipment of such ore or concentrates to the smelter or mill, and thereafter payments of said 20% of said net mill or net smelter returns shall be made by New Park to Mammoth monthly or at such other intervals as may from time to time be agreed upon by the parties hereto. New Park shall instruct the smelter or mill to furnish Mammoth with a copy of all settlement sheets for each lot or shipment of ore.

3.7 The books and records of New Park, insofar as they may relate to the operation of the property under this agreement shall be open to inspection of Mammoth or its duly authorized representatives, at reasonable times and at New Park's customary place of business at Keetley, Wasatch County, Utah. Mammoth at its own expense may make or have made audits of the records connected with New Park's operations of the properties.

3.8 Before the end of the calendar month following the calendar month in which any operations have been conducted hereunder, New Park shall furnish to Mammoth a statement showing in reasonable detail all operating costs (as defined in Article I, paragraph 1.1 of this agreement) incurred by New Park in its said operations of said properties during the calendar month preceding such report. IT IS UNDERSTOOD AND AGREED, however, that such statement shall not prejudice the right of Mammoth to protest or question the correctness thereof. Except for corrections resulting from an audit or examination of New Park's records, statements shall be presumed to be true and correct and shall not thereafter be questioned unless Mammoth makes a written exception thereto to New Park within sixty (60) days after receipt of said statement or statements.

3.9 After New Park shall have been reimbursed by its receipt of 80% of net mill or net smelter returns for all funds expended by it for or in connection with its inspection, exploration, development, and operation of said mining claims, New Park shall monthly or at such other intervals as the parties hereto may agree upon pay to Mammoth 50% of all net profits, as defined in paragraph 1.4 of Article I hereof, realized from the operation of the property covered by this agreement.

3.10 New Park shall use due care for the protection and preservation of all maps, plats, files, reports and other documents furnished to it by Mammoth, and the same shall at all times be

available to Mammoth and shall be returned to it in good condition by New Park upon the expiration or earlier termination of this agreement. New Park not less frequently than once each year while this agreement remains in effect shall provide Mammoth with a complete set of maps showing in detail all work performed by New Park in or upon the mining claims covered by this agreement and all geological information usually shown by such maps, and New Park shall furnish Mammoth with a copy of all geological data and reports which New Park or anyone acting for it or under its direction may have made or obtained.

3.11 The acreage embraced by each of the several mining claims listed on Exhibit "A" attached hereto may be more or less than the acreage set opposite the name of said mining claims.

3.12 In the event New Park acquires the right to mine any property adjacent to the mining claims listed in Exhibit "A", no such adjacent property shall be mined or worked through or by means of any underground or other workings or any facilities of any kind of Mammoth, nor shall any ore or other material of any kind be transported to or from any such adjacent property either by means of any underground or other workings or facilities of Mammoth unless the parties hereto shall have first by an agreement in writing agreed upon and specified the terms and conditions upon and subject to which ore or any other material of any kind may be transported through or by means of any underground or other workings or facilities of Mammoth; provided, however, it is hereby expressly agreed by the parties hereto that any such written agreement entered into by the parties hereto shall never under any circumstances operate or be deemed or construed to confer upon, or to give or grant to, the owner of such adjacent property any right or privilege to have its property mined or operated through or by means of any underground workings or other facilities of Mammoth or any right or privilege of any kind whatsoever.

3.13 New Park shall forever indemnify, protect and save harmless Mammoth of and from all liability, cost and expense that may arise out of damage or injury to property on account of any trespass or alleged trespass upon any other mining claim by New Park, or on account of the extraction or alleged extraction of ore by New Park from any other mining claim or from any vein or lode having its top or apex in any other mining claim, or on account of the failure of New Park to perform or comply with any provisions of any existing side line or operating agreement, but New Park shall be notified of any claims asserted and of the commencement of any suit against Mammoth involving any of said matters and shall have the right to defend the same.

3.14 In every instance where ore is mined or extracted from any of the mining claims listed on Exhibit "A" attached hereto in which some person, firm or corporation other than Mammoth owns or holds an interest, it shall be the sole duty and responsibility of New Park to account to such person, firm or corporation owning or holding such interest for his or its share of the proceeds of such ore; and New Park shall forever indemnify and save harmless Mammoth of and from all claims and demands of such person, firm or corporation in any manner predicated upon the mining and extraction of ore from such mining claim; but New Park shall be notified of any claim asserted and of the commencement of any suit against Mammoth involving any of said matters and shall have the right to defend the same.

## ARTICLE IV

## FEDERAL FUNDS

4.1 New Park may with the prior written consent of Mammoth apply to the Federal Government for financial assistance for any exploration or development project or projects on the properties covered by this agreement and appearing in Exhibits "A" and "B" under the Defense Minerals Exploration Administration, or any succes-

sor program or agency, and Mammoth agrees to execute such consent to lien agreements or such other instruments as may be required by the Federal Government as a condition to the granting of such funds.

4.2 The expenditure by New Park of such funds shall not relieve New Park from its obligation to make expenditures as required by paragraph 3.3 of Article III of this agreement.

4.3 The royalties required to be paid out of ore to reimburse the Federal Government for the advance of such funds shall be deducted by New Park while operating under this agreement from the proceeds of such ores before net mill or net smelter returns, or net profit, as defined in paragraphs 1.2, 1.3, 1.4 of Article I of this agreement resulting from the production and marketing of said ores is computed.

## ARTICLE V

## TAXES

5.1 IT IS UNDERSTOOD AND AGREED that each party hereto shall pay its own Federal Income taxes and its own Utah Corporation Franchise taxes, and any other State Income or Franchise taxes. Any and all other taxes and/or licenses of whatsoever character, including, among others, real and personal property taxes, shall be treated as operating costs as provided in Article I of this agreement.

5.2 During the period of exploration (2 years) contemplated by this agreement and appearing in Article II hereof, the parties hereto shall pay its own real and personal property taxes.

5.3 Not later than March 1st of each year while this agreement shall remain in force and effect New Park shall prepare and file with the Utah State Tax Commission and with the District Director of Internal Revenue in Salt Lake City, Utah, a complete income tax return covering all of its operations under this joint venture during the preceding calendar year or fraction thereof, and not later than said March 1st, New Park shall furnish Mammoth with a

complete copy of each of said tax returns together with a copy of all schedules attached to or filed therewith.

## ARTICLE VI

## INSURANCE

6.1 During any and all periods in which New Park is in possession of said properties under the terms of this agreement New Park shall carry adequate compensation insurance for the benefit of all of its workmen who shall be employed by New Park in connection with its operations and shall strictly comply with any and all Federal and State laws relating to wages and hours, social security, etc.

6.2 New Park shall also carry adequate fire insurance upon all buildings on said properties which shall be used by New Park, and New Park shall use the proceeds received from every policy of such insurance for repairing or rebuilding the structure damaged or destroyed.

## ARTICLE VII

## ARBITRATION

7.1 If any disagreement shall at any time or times arise between the parties hereto with respect to any matter or thing whatsoever covered by or pertaining to this agreement, such disagreement shall be settled and disposed of if possible by an exchange of letters between the parties hereto, but if such disagreement cannot be so settled and disposed of, then and in such event the same shall be submitted to and determined and settled by three arbitrators, one of whom shall be selected by each of the parties hereto and the arbitrators so selected shall select the third arbitrator. It is understood and agreed by the parties hereto that the arbitrator selected by each of them and the third arbitrator to be selected as aforesaid shall all be persons who have had technical training and practical mining experience. All information which shall be requested

in consideration of such disagreement shall be promptly furnished by the party or parties in possession thereof and the decision in writing of a majority of said arbitrators shall be final. Any and all charges with respect to the cost of arbitration shall be borne one-half by New Park and one-half by Mammoth.

## ARTICLE VIII

## SURRENDER BY NEW PARK

8.1 New Park may at any time upon first giving Mammoth sixty days written notice terminate this agreement, provided, however, such termination shall not release or relieve New Park of or from any obligation or liability of any character accruing prior to the date of such termination, expressly excluding its obligation to expend funds for development work during the calendar year in which such termination occurs but expressly including the payment of taxes and all other monetary obligations which by the terms of this agreement it has agreed to pay even though such taxes or other monetary obligations may not become due and payable until after the date of such termination; nor shall such termination release or relieve New Park of or from any liability or obligation which it has agreed to assume and/or perform even though such liability or obligation may not arise or performance thereof may not be required until after the date of such termination.

## ARTICLE IX

## DEFAULT

9.1 In the event that Mammoth shall claim that a default has occurred or is occurring in New Park's performance of any obligation or obligations under the terms of this agreement, Mammoth may serve written notice upon New Park that New Park is, or is claimed to be, in default, stating in such notice the particulars of such alleged default and requesting the correction thereof. Upon the re-

ceipt of any such notice New Park shall have ninety (90) days from and after its receipt of such notice within which to begin the correction of any and all actually existing defaults which shall have been specified in such notice and shall continuously prosecute such correction until such default or defaults shall have been remedied; PROVIDED, however, that if any such defaults shall consist of the failure, neglect or omission upon the part of New Park to make payment of money owing by it under the terms of this agreement, such default shall be remedied within thirty (30) days from and after New Park's receipt of such notice. If any actually existing default or defaults which shall have been specified in any such notice are not remedied within the time or times in this paragraph specified, then Mammoth may at its option declare this agreement terminated.

9.2 The waiver of any particular default or defaults hereunder shall not be construed as a waiver of any subsequent default or defaults of like nature or otherwise and no failure of Mammoth to give notice of any particular default or defaults shall estop the giving of notice of any subsequent default or defaults of like nature or otherwise.

9.3 If any controversy or dispute shall arise between the parties hereto as to whether any claimed default or defaults have actually occurred, or are actually occurring, such controversy or dispute shall be submitted to arbitration, as provided by Article VII of this agreement, and no action with respect to any such alleged default need be taken by New Park unless and until the arbitrators shall have determined that such alleged default or defaults had actually occurred or was actually occurring, and New Park's time within which to remedy or begin remedying such default or defaults shall not begin to run until New Park shall have received notice of such determination by said arbitrators.

9.4 It is agreed by the parties hereto that notwithstanding

anything to the contrary contained in this Article, in the event New Park shall fail to furnish Mammoth with copies of Federal and State of Utah income tax returns as provided in paragraph 5.3 of Article V of this agreement, New Park shall within five days after receipt of written notice from Mammoth of such failure furnish Mammoth with copies of such tax returns.

## ARTICLE X

## FORCE MAJEURE

10.1 Nonperformance of this agreement shall be excused for causes beyond New Park's control including, but not limited to, acts of God, war, labor disturbances of whatsoever nature, act or order of public officials or agents of government (whether Federal, State, County or Municipal), foreign or domestic, acting under claim or color of authority, accidents, fire, weather conditions, unavailability of labor or materials, failure of water supply or transportation, shutdown of mill or smelting plants, or any other cause, whether similar or dissimilar to those enumerated, beyond the control of New Park.

10.2 New Park shall, however, whenever and wherever it has the power to remedy the cause of such failure, proceed with due diligence and within a reasonable time, to effect such remedy.

## ARTICLE XI

## REMOVAL OF FACILITIES AND APPRAISAL

11.1 If for any reason this agreement shall be surrendered, terminated or cancelled by either party hereto, New Park shall promptly surrender to Mammoth the possession of all mining claims which are the subject of this agreement and all of Mammoth's improvements, machinery, equipment, supplies and facilities; and within ninety (90) days thereafter, New Park, subject to the conditions hereinafter set forth, shall remove from said property all machinery,

equipment and improvements placed, installed or constructed in or upon said property for the cost of which New Park has not been fully reimbursed; and New Park shall have the right of free ingress and egress to and from said property for such purpose.

11.2 Mammoth shall have the right for the period of thirty (30) days after the surrender, termination or cancellation of this agreement to elect to purchase from New Park any or all of the permanent machinery, equipment or improvements placed, installed or erected by New Park in or upon said property. Within said thirty (30) day period Mammoth shall notify New Park in writing of the articles of such machinery, equipment and improvements which Mammoth desires to purchase, and Mammoth shall pay to New Park the then fair market value thereof within thirty (30) days after such value shall have been determined by an appraisal thereof made by three appraisers, one of whom shall be selected by each of the parties hereto and the third of whom shall be chosen by the two selected and the decision of the majority of said appraisers shall be binding upon both parties. Each of the parties hereto shall pay the charges of the appraiser selected by it, and the charges of the third appraiser shall be paid equally by the parties hereto.

11.3 All improvements, equipment, machinery, supplies and facilities which are jointly owned by New Park and Mammoth, or which with the consent of Mammoth have been purchased with funds arising from the mining and sale of ores, may be bought by either of the parties hereto paying to the other party therefor the then fair market value determined as provided in paragraph 11.2 above, such payment to be made within thirty (30) days after the determination of said fair market value, Mammoth to have the right of first selection on all such improvements, equipment, machinery, supplies and facilities as set out in this paragraph. In the event neither of the parties hereto desires to purchase all or any part of said improvements, equipment, machinery, supplies and/or facilities, then in that event

they shall be sold to the highest bidder and the resulting cash proceeds divided fifty percent (50%) to New Park and fifty percent (50%) to Mammoth.

## ARTICLE XII

## NOTICE

12.1 Any and all notices or communications required or permitted under the terms of this agreement shall be effective when personally delivered to the President of the party for which such notice or communication is intended, or shall be effective when addressed:

If to Mammoth:

Mammoth Mining Company
c/o Mr. E. Steele McIntyre, President
Mammoth, Utah

If to New Park:

New Park Mining Company
P. O. Box 929
Park City, Utah

and deposited by certified or registered mail, with postage prepaid, in any United States Post Office. Either party hereto may, by notice in writing to the other party given as aforesaid, change its mailing address for future notices and communications hereunder.

## ARTICLE XIII

## NON-ASSIGNABILITY

13.1 This agreement shall not be transferable by either party hereto without the prior written consent of the other party; PROVIDED, however, that New Park may, at its option, permit the East Utah Mining Company, a Utah corporation, to participate with New Park in this agreement, provided, however, such participation shall not relieve New Park from any of its obligations or change any of its agreements hereunder, nor in any manner or to any extent alter, restrict or impair any of Mammoth's rights, privileges, options or remedies under this agreement, nor impose any additional

duty or obligation upon Mammoth.

13.2 IT IS EXPRESSLY AGREED that during the life of this agreement, Mammoth shall have no right to sell, lease or otherwise dispose of, or to encumber in any way any of the properties, or any part of the properties covered by this agreement, except with the written consent of New Park, and that New Park shall at all times during the life of this agreement keep said properties and all and every part thereof free from any liens or encumbrances arising out of any act or omission upon the part of New Park.

13.3 Subject to the provisions of paragraph 13.1 of this Article XIII, this agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, each of the parties hereto has caused these presents to be duly executed and attested on its behalf under its corporate seal by its proper officers thereunto duly authorized by a resolution of its Board of Directors, on the day and year first above written.

MAMMOTH MINING COMPANY

By E. Stock McIntyre
President

ATTEST:

Mary A. McIntyre
Secretary

NEW PARK MINING COMPANY

By [illegible]
President

ATTEST:

[illegible]
Secretary

EXHIBIT "A"

Claim List - Mammoth Mining Company

| | | | |
|---|---|---|---|
| Fraction of Divide and Last Chance | U. S. Lot No. 313 | Utah Co. | 3.41 acres |
| Rebel | U. S. Lot No. 301 | Utah Co. | 2.90 acres |
| Union | U. S. Lot No. 300 | Utah Co. | 2.32 acres |
| 1st North Extension Mammoth | U. S. Lot No. 38 | Juab Co. | 13.77 acres |
| Mammoth Fraction | U. S. Sur.No. 6167 | Juab Co. | 0.69 acres |
| Young Mammoth | U. S. Lot No. 94 | Juab Co. | 3.43 acres |
| Mount Hope | U. S. Lot No. 253 | Juab Co. | 5.08 acres |
| Elizabeth Mine | U. S. Sur.No. 5650 | Juab Co. | 11.08 acres |
| Whittaker | U. S. Sur.No. 5650 | Juab Co. | |
| Steel No. 2 | U. S. Sur.No. 6843 | Juab Co. | 0.22 acres |
| Steele | U. S. Sur.No. 6749 | Juab Co. | 0.1399 acres |
| Afton No. 2 | U. S. Sur.No. 6844 | Juab Co. | 0.051 acres |
| Essem | U. S. Sur.No. 6977 | Juab Co. | 1.85 acres |
| Louisa | U. S. Lot No. 299 | Juab Co. | 4.33 acres |
| Union | U. S. Lot No. 300 | Juab Co. | 2.50 acres |
| Rebel | U. S. Lot No. 301 | Juab Co. | 2.87 acres |
| Last Chance, undivided 8/10 interest | U. S. Lot No. 336 | Juab Co. | 24.26 acres |
| Ranger, undivided 8/10 interest | U. S. Lot No. 336 | Juab Co. | |
| Tip Top | U. S. Sur.No. 4395 | Juab Co. | 1.849 acres |
| Buddy | U. S. Sur.No. 6883 | Juab Co. | 0.722 acres |
| Apex | U. S. Sur.No. 2991 | Juab Co. | 67.74 acres |
| Duch Empire | U. S. Sur.No. 2991 | Juab Co. | |
| Bessarabia | U.S. Sur. No. 2991 | Juab Co. | |
| Chippewa | U. S. Sur.No. 2991 | Juab Co. | |
| Alice | U. S. Sur.No. 3568 | Juab Co. | 6.19 acres |
| Jenkins | U. S. Lot No. 93 | Juab Co. | 3.64 acres |
| Golden King | U. S. Lot No. 92 | Juab Co. | 4.88 acres |
| Juno | U. S. Sur.No. 3747 | Juab Co. | 4.06 acres |

| | | | |
|---|---|---|---|
| James | U. S. Sur.No. 3495 | Juab Co. | 14.43 acres |
| Welding | U. S. Lot No. 159 | Juab Co. | 20.00 acres |
| Last Show | U. S. Sur.No. 3268 | Juab Co. | 4.28 acres |
| Bess | U. S. Sur.No. 3771 | Juab Co. | 3.96 acres |
| Bradley | U. S. Lot No. 158 | Juab Co. | 12.23 acres |
| Provo | U. S. Sur.No. 3256 | Juab Co. | 5.46 acres |
| William | U. S. Sur.No. 3496 | Juab Co. | 3.29 acres |
| Burleigh | U. S. Lot No. 179 | Juab Co. | 9.94 acres |
| Schley | U. S. Sur.No. 3770 | Juab Co. | 3.52 acres |
| Harkness | U. S. Lot No. 156 | Juab Co. | 10.54 acres |
| Dom Pedro 2nd, undivided 1/2 interest | U. S. Lot No. 172 | Juab Co. | 15.63 acres |

# A G R E E M E N T

THIS AGREEMENT, made and entered into this 30th day of January, 1963, by and between the MAMMOTH MINING COMPANY, a Nevada Corporation, duly qualified to do business and own property in the State of Utah, hereinafter referred to as "Mammoth", and the NEW PARK MINING COMPANY, a Nevada Corporation, duly qualified to do business and own property in the State of Utah, hereinafter referred to as "New Park"

## W I T N E S S E T H

WHEREAS, the parties hereto under date of December 20, 1961, entered into an Agreement for the exploration, operation and development of certain mining properties owned by Mammoth, upon terms and conditions set forth in said Agreement; and

WHEREAS, New Park hereby at this date and moment notifies Mammoth, pursuant to provision of paragraph 2.9 of said Agreement of December 20, 1961, that New Park desires to continue in possession of said properties and to take over the operation thereof, and that therefore the operational period contemplated under ARTICLE III of said Agreement commences as of this date; and

WHEREAS, the parties hereto believe it will be for their mutual benefit and advantage to amend and change certain of the terms, conditions and provisions contained in said Agreement dated December 20, 1961;

NOW, THEREFORE, it is hereby mutually covenanted and agreed by the parties hereto as follows:

First. That paragraph 3.6 (b) of ARTICLE III of said Agreement of December 20, 1961, is hereby amended and changed to read as follows:

(b) The entire net mill or net smelter returns for all of said ores or concentrates shall be paid to New Park, and upon receipt thereof New Park shall pay to Mammoth monthly, or at such

other intervals as may from time to time be agreed upon by the parties hereto, the following percentages of said net mill or net smelter returns:

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| For | ore | having | a | value | of | $ 0.00 to $ 9.99 | per | ton | | 5% |
| " | " | " | " | " | " | $10.00 to $14.99 | " | " | | 7½% |
| " | " | " | " | " | " | $15.00 to $19.99 | " | " | | 10% |
| " | " | " | " | " | " | $20.00 to $24.99 | " | " | | 12½% |
| " | " | " | " | " | " | $25.00 to $29.99 | " | " | | 15% |
| " | " | " | " | " | " | $30.00 to $39.99 | " | " | | 17½% |
| | | | | | | $40.00 or more | " | " | | 20% |

New Park shall be entitled to retain the balance of said net mill or net smelter returns until it shall have been reimbursed from saidretained net mill or net smelter returns for all funds expended by it for, or in connection with, its inspection, exploration, development and operation of said mining claims. New Park shall instruct the smelter or mill to furnish Mammoth with a copy of all settlement sheets for each lot or shipment of ore.

(c) In the event that during the twelve months period beginning with the date upon which New Park makes the first shipment of ore to mill or smelter and ending upon the same day of the same calendar month in the next succeeding calendar year, and in the event that during each and every succeeding like twelve months period while the provisions of this paragraph 3.6 (b) remain in effect, that is, until New Park shall have been reimbursed from its retained percentages of net mill or net smelter returns for all funds exponded by it for, or in connection with, its inspection, exploration, development and operation of said mining claims, the aggregate of net mill or net smelter returns paid to Mammoth shall be less than $25,000.00, New Park shall, within thirty days after the expiration of each of such twelve months period, pay to Mammoth an amount equal to the difference between the aggregate amount of net mill or net smelter returns paid to Mammoth during such twelve months period and $25,000.00, so that Mammoth shall receive during each of said twelve months periods at least $25,000.00. It is mutually agreed by the parties hereto that all net mill or net smelter returns paid to Mammoth during each, or any, of said

twelve months periods in excess of $25,000.00 shall belong to Mammoth free from all claims of New Park. It is further mutually agreed by the parties hereto that trial shipments of ores to mill or smelter for which no, or only nominal, net mill or net smelter returns are paid to New Park shall be disregarded in determining the date upon which the first of said twelve months periods shall commence.

Second. That paragraph 3.9 of ARTICLE III of said Agreement of December 20, 1961, is hereby amended and changed to read as follows:

3.9 (a) After New Park shall have been reimbursed by its receipt of the balance of net mill or net smelter returns as specified in paragraph 3.6 (b) of ARTICLE III hereinabove set forth for all funds expended by it for or in connection with its inspection, exploration, development and operation of said mining claims, New Park shall monthly, or at such other intervals as the parties hereto may agree upon, pay to Mammoth 50% of all net profits, as defined in paragraph 1.4 of ARTICLE I hereof, realized from the operation of the properties covered by this Agreement.

3.9 (b) In the event that during the twelve months period beginning with the date upon which New Park shall have been reimbursed by its receipt of the balance of net mill or net smelter returns as specified in paragraph 3.6 (b) of ARTICLE III hereinabove set forth for all funds expended by it for or in connection with its inspection, exploration, development and operation of said mining claims and ending upon the same day of the same calendar month in the next succeeding year, and in the event that during each and every succeeding like twelve months period while this Agreement remains in effect, the share of said net profits paid to Mammoth shall be less than $25,000.00, New Park shall, within thirty days after the expiration of each of such twelve months period, pay to Mammoth an amount equal to the difference between the amount of said net profits paid to Mammoth during such twelve

months period and $25,000.00, so that Mammoth shall receive during each of said twelve months periods at least $25,000.00. It is mutually agreed by the parties hereto that all net profits paid to Mammoth during each, or any, of said twelve months periods in excess of $25,000.00 shall belong to Mammoth free from all claims of New Park.

3.9 (c) Notwithstanding the provisions of paragraph 3.6 (c) and of paragraph 3.9 (b) set forth above, in the event that mining operations or shipments of ores to mill or smelter are suspended during any twelve months period specified in said paragraphs, for any cause beyond the control of New Park, for a period of time exceeding thirty (30) consecutive days, then the minimum payment required to be made by New Park as provided in said paragraph 3.6 (c) or paragraph 3.9 (b), as the case may be, shall be reduced by that proportion of the minimum payment specified in the applicable paragraph which the number of days of such suspension bears to the total number of days in the twelve months period during which such suspension occurs. New Park shall however whenever and wherever it has the power to remedy the cause of such suspension, proceed with due diligence to effect such remedy.

3.9 (d) In the event this Agreement shall be terminated by either party hereto during any twelve months period specified in paragraph 3.6 (c) and in paragraph 3.9 (b) set forth above, the minimum payment required to be made by New Park as specified in said paragraph 3.6 (c) or paragraph 3.9 (b), as the case may be, shall be that proportion of the minimum payment specified in the applicable paragraph which the number of days from the beginning of such twelve months period to the date of the termination of this Agreement bears to the total number of days in the twelve months period during which this Agreement is terminated.

Third. That paragraph 11.1 and paragraph 11.2 of ARTICLE XI of said Agreement of December 20, 1961, are hereby amended and changed to read as follows:

11.1 If for any reason this Agreement shall be surrendered, terminated or canceled by either party hereto, New Park shall promptly surrender to Mammoth the possession of all mining claims which are the subject of this Agreement and all of Mammoth's improvements, machinery, equipment, supplies and facilities. New Park shall also deliver to Mammoth without cost to it (a) the electrical hoist which New Park now has installed for the purpose of operating the cage or skip in the Mammoth shaft with the motor and all accessories required for the operation of such hoist, (b) all transformers necessary for the operation of the electrical hoist and air compressing plant furnished and installed by New Park including all transmission lines, and (c) the air compressing plant consisting of the motor and all accessories furnished and installed by New Park for the operation of the compressor belonging to Mammoth and any air compressor and all accessories furnished and installed by New Park in replacement of said Mammoth compressor. New Park warrants that it has good title to all of said machinery, equipment, hoist, motors, transformers, accessories and transmission lines furnished and installed by it and that it has good right and lawful authority to deliver and transfer the same to Mammoth.

In the event New Park shall have installed an electrical hoist with a greater capacity than the electrical hoist already installed by it for the purpose of operating the cage or skip in the Mammoth shaft, Mammoth shall have the right to purchase such electrical hoist having a greater capacity at the appraised value thereof determined as in paragraph 11.2 hereof provided.

At its option New Park may remove the electrical hoist mentioned in paragraph (a), the transformers belonging to New Park mentioned in paragraph (b) and the motor mentioned in paragraph (c), and in the event New Park shall remove said hoist, transformers and motor New Park shall immediately pay to Mammoth the sum of Ten Thousand Dollars.

Within ninety (90) days thereafter New Park, subject to

the conditions hereinafter set forth, shall remove from said property all other machinery, equipment and improvements placed, installed or constructed in or upon said property for the cost of which New Park has not been fully reimbursed; and New Park shall have the right of free ingress and egress to and from said property for such purpose.

New Park shall not remove any track, pipe, electrical wiring or other electrical fixtures or accessories, cables, timbering or any other underground structures of any kind or description, all of which shall remain in or upon said property and shall belong to Mammoth free of all claims or demands of New Park, and New Park shall leave all underground workings in said property in good order and condition.

11.2 Mammoth shall have the right for the period of sixty (60) days after the surrender, termination or cancellation of this Agreement to elect to purchase from New Park any or all of the other permanent machinery, equipment or improvements placed, installed or erected by New Park in or upon said property. Within said sixty (60) day period Mammoth shall notify New Park in writing of the articles of such other machinery, equipment and improvements which Mammoth desires to purchase, and Mammoth shall pay to New Park the then fair market value thereof within thirty (30) days after such value shall have been determined by an appraisal thereof made by three appraisers, one of whom shall be selected by each of the parties hereto and the third of whom shall be chosen by the two selected and the decision of the majority of said appraisers shall be binding upon both parties hereto. Each of the parties hereto shall pay the charges of the appraiser selected by it, and the charges of the third appraiser shall be paid equally by the parties hereto.

FOURTH. For the reason that New Park has formally notified Mammoth, in accordance with the provisions of paragraph 2.9 of ARTICLE 11 of said Agreement of December 20, 1961, that New Park

desires to continue in the possession of the properties in said Agreement described and referred to and to take over the operation thereof, and for the reason that it is mutually desirable and advantageous that the exploration, development and operations contemplated and to be performed by New Park under said Agreement of December 20, 1961 should be extended to and include adjoining or adjacent properties owned by other companies, it is hereby mutually agreed by the parties hereto that the following new ARTICLE XIV is hereby inserted and incorporated in said Agreement of December 20, 1961 immediately following ARTICLE XIII of said Agreement:

## ARTICLE XIV

## ADJOINING AND ADJACENT PROPERTY

14.1 Mammoth agrees to take and cause to be taken such corporate action as may be necessary to obtain leases from The Gold Chain Mining Company, Opohongo Mining Company and The Utah Consolidated Mining and Milling Company in conformity with and for the purposes set forth in the letter from Mammoth to New Park dated December 20, 1961, and Mammoth agrees to vote the stock owned by it in each of said companies, which stock is in excess of 50% of the outstanding stock of each of said companies, for the purpose of obtaining such leases, and Mammoth agrees to furnish and deliver to New Park a copy of each such lease.

14.2 Mammoth agrees to exert its best efforts to obtain a like lease from the Mammoth No. 2 Mining Company, and in the event such lease is obtained Mammoth agrees to furnish and deliver a copy thereof to New Park.

14.3 Mammoth agrees to endeavor to procure the reincorporation of the Cleveland Mining Company of which Mammoth owns in excess of 50% of its outstanding stock, and to obtain a like lease from the reincorporated company, and in the event such lease is obtained Mammoth agrees to furnish and deliver a copy thereof to New Park.

14.4 New Park agrees in the event it shall decide to extend or conduct any of its activities for exploration, development and operation of the properties of all or any of the companies from which Mammoth shall have obtained a lease, that such activities shall be performed in conformity with the provisions of said Agreement of December 20, 1961, and New Park agrees that all applicable provisions of said Agreement of December 20, 1961 shall be deemed and considered as being incorporated in and a part of each of said leases, and further agrees that it will observe and comply with all of the terms and conditions of all of said leases which do not conflict with the provisions of said Agreement of December 20, 1961 nor impose any obligations upon New Park in addition to those contained in said Agreement of December 20, 1961.

14.5 It is mutually agreed by the parties hereto that all ores extracted from the property of any or all of said companies from which Mammoth shall have obtained a lease shall be shipped and sold by New Park in its name and for its account on the best terms obtainable by either party hereto; that the entire net mill or net smelter returns for all such ores shall be paid to New Park and upon its receipt thereof New Park shall pay to Mammoth monthly, or at such other intervals as may from time to time be agreed upon by the parties hereto, the same percentages of net mill or net smelter returns as are hereinabove set forth in paragraph 3.6 (b) of ARTICLE III of said Agreement of December 20, 1961.

14.6 It is mutually agreed by the parties hereto, and each of said leases hereinbefore referred to shall so provide, (a) that all ores extracted, shipped and sold by New Park, regardless of the property from which such ores may have been extracted, shall be deemed and considered as having been mined and extracted from the property described and referred to in said Agreement of December 20, 1961, (b) that the aforesaid percentages of net mill or net smelter returns and the agreed minimum amount thereof payable by New Park shall be paid by New Park only to Mammoth, (c) that net

profits, as defined in paragraph 1.4 of ARTICLE I of said Agreement of December 20, 1961 shall be the net profits realized from the operation of all of the properties owned by Mammoth and all of the companies from which Mammoth shall have obtained leases, (d) that the percentage of such net profits and the agreed minimum amount thereof payable by New Park as hereinabove provided in paragraphs 3.9 (a) to 3.9 (d) of ARTICLE III of said Agreement of December 20, 1961 shall be paid by New Park only to Mammoth, and (e) that it shall be the sole duty and obligation of Mammoth to allocate and distribute the percentages of net mill or net smelter returns, the agreed minimum amount thereof, the percentage of net profits, and the agreed minimum amount thereof, to the several companies entitled to receive a portion thereof, and that New Park shall not be responsible to any extent for such allocation and distribution.

Fifth. Except as by this Agreement specifically amended, changed, or added to, each and every provision of said Agreement of December 20, 1961, shall remain in full force and effect.

IN WITNESS WHEREOF, each of the parties hereto has caused these presents to be duly executed and attested on its behalf under its corporate seal by its proper officers thereunto duly authorized by a resolution of its Board of Directors on the day and year first above written.

MAMMOTH MINING COMPANY

By Leslie McIntyre
President

ATTEST:

Secretary

(Seal)

NEW PARK MINING COMPANY

By Charles Clegg
President

ATTEST:

Secretary

(Seal)

## LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT made and entered into this 27th day of July, A. D. 1963 by and between The Gold Chain Mining Company, a Utah corporation, hereinafter referred to as "Gold Chain", and Mammoth Mining Company, a Nevada corporation, duly qualified to do business and own property in the State of Utah, hereinafter referred to as "Mammoth",

W I T N E S S E T H:

WHEREAS, Mammoth has entered into a certain hereinafter defined Joint Venture Agreement with New Park Mining Company, a Nevada corporation duly qualified to do business and own property in the State of Utah, hereinafter referred to as "New Park", for the inspection, exploration, development and operation of Mammoth's mining claims described and referred to in said Joint Venture Agreement, and New Park desires to carry on its activities and conduct its operations under said Joint Venture Agreement in the mining properties of Gold Chain, and it is the desire of Gold Chain to lease the mining claims owned in whole or in part by it to Mammoth for the purpose of enabling Mammoth to deliver the possession and use of said property of Gold Chain to New Park so that said property of Gold Chain may be included in and explored, developed and operated under and pursuant to the provisions of said Joint Venture Agreement as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements of both parties hereto hereinafter contained and by them to be kept and performed, and in consideration of the delivery of the possession and use of said property of Gold Chain by Mammoth to New Park in the manner hereinafter specified for the aforesaid purpose, IT IS HEREBY MUTUALLY UNDERSTOOD, COVENANTED AND AGREED BY THE PARTIES HERETO AND BY NEW PARK AS FOLLOWS:

1st. Gold Chain hereby demises, leases and lets unto Mammoth all of the patented lode mining claims owned in whole or in part by Gold Chain located in the Tintic Mining District, Juab and Utah Counties, State of Utah, which claims are described in Exhibit "A" attached to and made a part hereof, together with all and singular the mines, minerals, lodes and veins within the lines of said claims, and their dips and spurs, and all dumps, improvements, rights, privileges and appurtenances thereunto in anywise belonging; and any and all waters in any manner pertaining to said mining claims together with the right to develop, use and consume the same.

TO HAVE AND TO HOLD said demised premises unto Mammoth for mining purposes, including the prospecting for and the development, mining, extraction, removal and sale as hereinafter provided of ores and metals of all kinds, for the full term that said hereinafter defined Joint Venture Agreement, shall remain in force and effect.

2nd. Gold Chain hereby warrants title to the mining claims owned by it as shown by said Exhibit "A" excepting and excluding from said warranty (a) all restrictions, reservations, limitations and exclusions contained in the patents covering said mining claims, (b) all existing side line and operating agreements, (c) all existing easements and rights of way, and (d) all defects, limitations, restrictions or objections to title enumerated in the title opinions of the attorneys for Mammoth, copies of which will be furnished by Mammoth to New Park within thirty days after receipt by Mammoth of written request therefor, or which defects, limitations, restrictions or objections have been in existence for fifteen years or more; and, subject to the foregoing exceptions and exclusions, Gold Chain warrants at its expense that it will defend Mammoth's right to the peaceful possession and quiet enjoyment of said mining claims against the claims of all persons whomsoever.

3rd. Mammoth owns in whole or in part extensive mining claims situated in said Tintic Mining District, some of which claims adjoin

or are adjacent to the mining claims described in Exhibit "A" attached hereto; and Mammoth and New Park under date of December 20th, 1961 entered into a Joint Venture Agreement for the inspection, exploration, development and operation of all of Mammoth's said mining claims, which said Agreement was amended by an Agreement entered into by the same parties dated January 30th, 1963, both of said Agreements being herein referred to as "said Joint Venture Agreement", which provided among other things:

(a) That the term of said Joint Venture Agreement is 25 years from January 30th, 1963, subject to earlier termination as in said Joint Venture Agreement provided.

(b) That it is mutually desirable and advantageous that the exploration, development and operations contemplated and to be performed by New Park under and pursuant to the provisions of said Joint Venture Agreement should be extended to and include adjoining or adjacent properties; that Mammoth would obtain leases from Gold Chain, Opohongo Mining Company and The Utah Consolidated Mining and Milling Company which among other things would authorize Mammoth to give New Park the possession and use of the leased property so that the property of the leasing company might be included in and might be explored, developed and operated under and pursuant to the provisions of said Joint Venture Agreement, and that Mammoth would exert its best efforts to obtain a like lease from Mammoth No. 2 Mining Company, and would endeavor to procure the reincorporation of Cleveland Mining Company and obtain a like lease from it, and that Mammoth would furnish New Park with a copy of each of said leases.

(c) That New Park (a) would furnish all working capital required for the inspection, exploration, development and operations contemplated and to be performed by it pursuant to the provisions of said Joint Venture Agreement, (b) would expend at least $50,000.00 for development work in each of the first five years of the 25 year term of said Joint Venture Agreement and would expend at least

$25,000.00 for development work in each of the three years immediately following said five year period, (c) that all ores extracted from the property of Mammoth and/or from the property of any or all of said leasing companies should be deemed and considered to have been mined and extracted from the property of Mammoth; that all of said ores shall be shipped and sold by New Park in its name and for its account, that New Park shall receive the entire proceeds therefrom and upon receipt thereof New Park shall pay only to Mammoth monthly, or at such other intervals as may from time to time be agreed upon, the following percentages of net mill or net smelter returns:

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| For | ore | having | a | value | of | $ 0.00 | to | $ 9.99 | per | ton | 5% |
| " | " | " | " | " | " | $10.00 | to | $14.99 | " | " | 7½% |
| " | " | " | " | " | " | $15.00 | to | $19.99 | " | " | 10% |
| " | " | " | " | " | " | $20.00 | to | $24.99 | " | " | 12½% |
| " | " | " | " | " | " | $25.00 | to | $29.99 | " | " | 15% |
| " | " | " | " | " | " | $30.00 | to | $39.99 | " | " | 17½% |
| " | " | " | " | " | " | $40.00 | or | more | " | " | 20% |

(d) That New Park shall be entitled to retain the balance of said net mill or net smelter returns until it shall have been reimbursed therefrom for all funds expended by it for or in connection with its inspection, exploration, development and operation of said mining claims owned by Mammoth and/or by any or all of said leasing companies.

(e) In the event that during any twelve months period, commencing on the date of the first shipment by New Park of ore to mill or smelter and continuing until New Park shall have been reimbursed as aforesaid for all of its said expenditures, the aggregate of net mill or net smelter returns paid to Mammoth shall be less than $25,000.00, New Park shall within thirty (30) days after the expiration of each such twelve months period pay to Mammoth an amount equal to the difference between said aggregate of net mill or net smelter returns paid to Mammoth and $25,000.00; all net mill or net smelter returns paid to Mammoth during each, or any, of said twelve months periods in excess of $25,000.00 shall belong to Mammoth free from

all claims of New Park.

(f) After New Park shall have been reimbursed by its receipt of the balance of net mill or net smelter returns for all funds expended by it for or in connection with its inspection, exploration, development, and operation of said mining claims of Mammoth and/or of all or any of said leasing companies, New Park shall monthly, or at such other intervals as the parties may agree upon, pay only to Mammoth 50% of all net profits, as defined in said Joint Venture Agreement, realized from the operation of the properties owned by Mammoth and by all of said companies from which Mammoth shall have obtained leases.

(g) In the event during any twelve months period beginning with the date upon which New Park shall have been reimbursed as aforesaid for all of its said expenditures and continuing while said Joint Venture Agreement shall remain in effect, the share of said net profits paid to Mammoth shall be less than $25,000.00, New Park shall, within thirty (30) days after the expiration of each such twelve months period, pay only to Mammoth, an amount equal to the difference between the amount of said net profits paid to Mammoth and $25,000.00; all of said net profits paid to Mammoth during each, or any, of said twelve months periods in excess of $25,000.00 shall belong to Mammoth free from all claims of New Park.

(h) In the event mining operations or shipments of ore during any of said twelve months periods shall be suspended for any cause beyond the control of New Park for a period of time exceeding thirty consecutive days, the minimum payment of net mill or net smelter returns, or the minimum payment of said net profits, required to be made by New Park shall be reduced by that proportion of such minimum payment which the number of days of such suspension bears to the total number of days in the twelve months period during which such suspension occurs.

(i) In the event of the termination of said Joint Venture

Agreement by either party thereto during any of said twelve months periods, the minimum payment of net mill or net smelter returns, or the minimum payment of said net profits, required to be made by New Park shall be that proportion of such minimum payment which the number of days from the beginning of such twelve months period to the date of the termination of said Joint Venture Agreement bears to the total number of days in the twelve months period during which said Joint Venture Agreement is terminated.

(j) That if New Park decides to extend or conduct any of its activities for exploration, development and operation of all or any of the properties of all or any of said companies from which Mammoth shall have obtained a lease such activities will be performed in conformity with the provisions of said Joint Venture Agreement; that all applicable provisions of said Joint Venture Agreement shall be deemed to be incorporated in and a part of each of said leases, and that New Park will observe and comply with the terms and conditions of said leases which are not in conflict with said Joint Venture Agreement and which do not impose any additional obligations upon New Park.

(k) That it shall be the sole duty and obligation of Mammoth to allocate and distribute the percentages of net mill or net smelter returns, the agreed minimum amount thereof, the percentage of said net profits, and the agreed minimum amount thereof, to the several companies entitled to receive a portion thereof, and that New Park shall not be responsible to any extent for such allocation and distribution.

4th. Gold Chain does not own or possess any machinery or equipment for the proper development of its said properties, and therefore the most economical method of exploring, developing and operating its said properties is to carry on and conduct such work through and by means of the underground workings of Mammoth and by the use of the machinery, equipment and other facilities owned

by Mammoth or placed or installed upon or in its properties; also the exploration and development work contemplated and to be performed by New Park under said Joint Venture Agreement will benefit the said properties of Gold Chain and may result in the discovery of commercial ore bodies therein. In consideration of the foregoing and in consideration of the participation by Gold Chain, as hereinafter provided, in the percentages of net mill or net smelter returns, in the agreed minimum amount thereof, in the percentage of net profits and in the agreed minimum amount thereof to be paid to Mammoth by New Park as hereinabove and in said Joint Venture Agreement provided, and in consideration of the delivery of the possession and use of said property of Gold Chain by Mammoth to New Park as hereinafter provided, IT IS HEREBY FURTHER AGREED BY THE PARTIES HERETO AND BY NEW PARK:

(a) Mammoth is hereby authorized to give to New Park the possession and use of all of the mining claims described in Exhibit "A" attached hereto so that said mining claims may be included in and may be explored, developed and operated by New Park under and pursuant to the provisions of said Joint Venture Agreement; and the furnishing by Mammoth to New Park of an executed copy of this Lease and Agreement and the acceptance thereof by New Park shall constitute and evidence the delivery of possession and the right to the use of said mining claims described in Exhibit "A" attached hereto to New Park for said purposes.

(b) Neither Mammoth nor New Park is or shall be required to do or perform, or to cause to be done or performed, any minimum or specified shifts of labor in or upon said mining claims described in said Exhibit "A" attached hereto.

(c) Gold Chain hereby accepts and agrees to be bound by all of the terms and conditions of said Joint Venture Agreement, including those hereinabove specifically enumerated or referred to which are applicable to and/or affect the exploration, development and

operation of said mining claims described in said Exhibit "A" attached hereto; and the parties hereto and New Park agree that all of said provisions of said Joint Venture Agreement shall be deemed and considered as being incorporated in this Lease and Agreement as fully as though all of such terms and conditions were herein set forth in full.

(d) All underground and other workings and facilities of Gold Chain may be used by New Park for or in connection with the exploration, development and operation of the property of Mammoth, Gold Chain and/or of any of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may obtain a Lease without New Park being required to pay to any one an additional charge or use fee.

(e) The acreage embraced by each of the several mining claims listed on Exhibit "A" attached hereto may be more or less than the acreage set opposite the name of such mining claim.

(f) Gold Chain will make available to New Park for its inspection all of its maps, records, reports and other geological and operational information, together with abstracts of title and other title information. New Park agrees to use due care for the protection and preservation of all maps, records, reports, abstracts and other documents mentioned and referred to in this subparagraph, and the same shall at all times be available to Mammoth and Gold Chain and shall be returned by New Park to Gold Chain upon the expiration or earlier termination of said Joint Venture Agreement.

(g) The expenditures required to be made by New Park pursuant to the provisions of said Joint Venture Agreement shall be deemed and considered as being for the benefit of all properties owned by Mammoth, Gold Chain and by all of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may obtain a lease; and any or all of the expenditures required to be made by New Park in accordance with the provisions of said Joint Venture

Agreement for development work, as therein defined, may at the option of New Park be expended for such development work in the property of Mammoth, Gold Chain or in the property of any of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may or shall have obtained a lease.

(h) All ores mined and extracted from said property of Gold Chain shall be deemed and considered as having been mined and extracted from the property of Mammoth; all of such ores shall be shipped and sold by New Park as in said Joint Venture Agreement provided and New Park shall receive the entire net mill or net smelter returns therefrom. New Park shall not be obliged or required to account to Gold Chain for the proceeds of such ores or to pay to Gold Chain any portion of the net mill or net smelter returns derived therefrom; but New Park shall cause Mammoth to be furnished with a copy of all settlement sheets for each lot or shipment of ore mined or extracted from the property of Gold Chain, Mammoth, and/or of any other Company from which Mammoth, pursuant to said Joint Venture Agreement, may or shall have obtained a lease; and New Park shall pay only to Mammoth at the times provided in said Joint Venture Agreement the percentages of net mill or net smelter returns from such ores hereinbefore and in said Joint Venture Agreement specified. It is understood and agreed by the parties hereto and by New Park (i) that the aforesaid percentages of net mill or net smelter returns from all ores mined and extracted from the property of Mammoth, Gold Chain and/or from the property of any of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may or shall have obtained a lease, the agreed minimum amount thereof, and all of said percentages of said net mill or net smelter returns in excess of said agreed minimum amount thereof payable by New Park shall be paid by New Park only to Mammoth, (ii) that net profits as defined in said Joint Venture Agreement shall be the net profits realized from the operation by New Park of all prop-

erties own by Mammoth, Gold Chain and by all of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may obtain a lease, (iii) that the percentage of such net profits, the agreed minimum amount thereof, and all net profits in excess of said agreed minimum amount thereof payable by New Park as in said Joint Venture Agreement provided shall be paid by New Park only to Mammoth, (iv) that it shall be the sole duty and obligation of Mammoth to allocate and distribute to the several companies entitled to receive a portion thereof said percentages of said net mill or net smelter returns, the agreed minimum amount thereof, the amount of said percentages in excess of said agreed minimum amount, the percentage of said net profits, the agreed minimum amount thereof, and the amount of said net profits in excess of said agreed minimum amount paid to Mammoth, and (v) that New Park shall not be responsible to any extent for such allocation and distribution.

(i) In the event New Park shall decide to extend or conduct any of its activities for exploration, development and operation in the property of Gold Chain listed on Exhibit "A" attached hereto, New Park agrees that all such activities shall be performed in conformity with the provisions of said Joint Venture Agreement which are or may be applicable to any matter or thing arising, growing out of or connected with the exploration, development, mining or any other operations of New Park in or upon said property of Gold Chain, and New Park will observe and comply with all of such provisions and with the terms and conditions of this Lease and Agreement. All materials, supplies and equipment furnished and/or installed and all work and labor done or performed by New Park in connection with any of its activities conducted or carried on in the property of Gold Chain shall be furnished, installed, done and performed at the sole cost and expense of New Park, and in no event shall Gold Chain be held responsible or in any way obligated for the payment of any materials, supplies and equipment furnished or installed or for any

work or labor done or performed in connection with any operations of New Park in or upon the property of Gold Chain.

(j) New Park shall maintain and safeguard the main shaft on said property of Gold Chain and shall not mine or extract any ores or other materials within a distance of fifty feet from said shaft, or within such greater distance from said shaft as the State Mine Inspector from time to time may designate as being necessary to preserve said shaft.

(k) New Park agrees that Mammoth and Gold Chain may at all reasonable times, at their sole risk and expense, enter upon and into said property of Gold Chain for the purposes of inspection, surveying, mapping and sampling any ores and minerals therein.

(l) New Park shall forever indemnify, protect and save Mammoth and Gold Chain harmless of and from all liability, cost and expense that may arise out of damage or injury to property on account of any trespass or alleged trespass by New Park upon any mining claim other than the mining claims owned in whole or in part by Mammoth, Gold Chain or by any of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may obtain a lease, or on account of the extraction or alleged extraction by New Park of ore from any such mining claim, or from any vein or lode having its top or apex in any such mining claim, or on account of the failure of New Park to perform or comply with any provisions of any existing side line or operating agreement, but New Park shall be notified of any claims asserted and of the commencement of any suit against Mammoth, Gold Chain and/or any of said other companies involving any of said matters and shall have the right to defend the same.

(m) In every instance where ore is mined or extracted from any of the mining claims listed on Exhibit "A" attached hereto in which some person, firm or corporation, other than Gold Chain, Mammoth or of any of said companies from which Mammoth, pursuant to said Joint Venture Agreement, may or shall have obtained a lease,

ctms or holds an interest, it shall be the sole duty and responsibility of New Park to account to such person, firm or corporation owning or holding such interest for his or its share of the proceeds of such ore; and New Park shall forever indemnify and save Mammoth, Gold Chain and said other companies harmless of and from all claims and demands in any manner predicated upon the mining and extraction of ore from such mining claims; but New Park shall be notified of any claim asserted and of the commencement of any suit gainst Mammoth, Gold Chain and/or any of said other companies involving any of said matters and shall have the right to defend the same.

(n) Mammoth agrees promptly upon its receipt thereof from New Park to furnish Gold Chain all information with respect to the results of all of the operations conducted by New Park under said Joint Venture Agreement so as to enable Gold Chain to make and file timely Federal income and State Franchise tax returns; it being understood and agreed that Gold Chain shall pay all of its Federal income and State Franchise taxes, as well as all Utah Mine Occupational taxes and all Utah Net Profits or Mine Valuation taxes properly chargeable to it.

(o) In the event New Park acquires the right to mine any property adjacent to the mining claims listed in Exhibit "A", other than property of Mammoth or any other company from which Mammoth, pursuant to said Joint Venture Agreement, may obtain a lease, no such adjacent property shall be mined or worked through or by means of any underground or other workings or any facilities of any kind of Gold Chain, nor shall any ore or other material of any kind be transported to or from any such adjacent property either by means of any underground or other workings or facilities of Gold Chain unless the parties hereto and New Park shall have first by an agreement in writing agreed upon and specified the terms and conditions upon and subject to which ore or any other material of any kind may be transported through or by means of any underground or other work-

ings or facilities of Gold Chain; provided, however, it is hereby expressly agreed by the parties hereto and New Park that any such written agreement entered into by the parties hereto and New Park shall never under any circumstances operate or be deemed or construed to confer upon, or to give or grant to, the owner of such adjacent property any right or privilege to have its property mined or operated through or by means of any underground workings or other facilities of Gold Chain or any right or privilege of any kind whatsoever.

5th. As its entire consideration for this Lease and Agreement Gold Chain agrees to accept from Mammoth, and Mammoth agrees to pay to Gold Chain, an amount equal to nineteen and 63/100 per cent (19.63%) of each and all amounts paid to Mammoth by New Park for or on account of the following enumerated items:

(1) The percentages of net mill or net smelter returns hereinbefore and in said Joint Venture Agreement specified from all ore mined and extracted by New Park from the property of Mammoth, Gold Chain and/or all of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may or shall have obtained a lease;

(2) The agreed minimum amount of said percentages of said net mill or net smelter returns;

(3) The amount of said percentages of said net mill or net smelter returns in excess of the agreed minimum amount thereof;

(4) The percentage of net profits hereinbefore and in said Joint Venture Agreement specified realized from the operations by New Park of all properties owned by Mammoth, Gold Chain and by all of said other companies from which Mammoth, pursuant to said Joint Venture Agreement, may obtain a lease;

(5) The agreed minimum amount of said net profits;

(6) The amount of said percentage of said net profits in excess of the agreed minimum amount thereof.

Payments of amounts payable to Gold Chain shall be made to it by Mammoth monthly, or at such other intervals as may from time to time be agreed upon.

6th. It is expressly agreed by the parties hereto and by New Park that during the life of said Joint Venture Agreement (a) this Lease and Agreement shall not be transferred by either party hereto without the prior written consent of the other party hereto, PROVIDED, however, that New Park may, at its option, permit the East Utah Mining Company, a Utah corporation, to participate with New Park in this Lease and Agreement, provided, however such participation shall not relieve New Park from any of its obligations or change any of its agreements hereunder, nor in any manner or to any extent alter, restrict or impair any of the rights, privileges, options or remedies of Gold Chain or Mammoth under this Lease and Agreement, nor impose any additional duty or obligation upon Gold Chain or Mammoth, (b) Gold Chain shall have no right to sell, lease or otherwise dispose of or to encumber in any way any of the property listed in Schedule "A" attached hereto, except with the prior written consent of Mammoth and New Park, (c) New Park shall not part with the possession of all or any portion of the property listed in Schedule "A" attached hereto, nor allow or permit any person, firm or corporation to occupy, use or, except as hereinabove provided, have access to all or any part of said property listed in said Schedule "A" for any purpose whatsoever and (d) New Park shall at all times keep said property listed in Schedule "A" attached hereto and all and every part thereof free from any liens or encumbrances arising out of any act or omission on the part of New Park.

7th. Any and all notices or communications required or permitted under the terms of this Lease and Agreement and/or of

said Joint Venture Agreement shall be effective when personally delivered to the President of the party for whom such notice or communication is intended, or shall be effective when mailed with postage prepaid and addressed:

If to Gold Chain:

The Gold Chain Mining Company, c/o Mr. Roy A. McIntyre, President, 410 Phillips Petroleum Building, Salt Lake City, Utah.

If to Mammoth:

Mammoth Mining Company, c/o Mr. E. Steele McIntyre, President Mammoth, Utah.

If to New Park:

New Park Mining Company, c/o Mr. David H. Clegg, Secretary, 857 First Security Building, Salt Lake City, Utah.

8th. This Lease and Agreement shall be binding upon and shall inure to the benefit of the successors and lawful assigns of the respective parties hereto.

IN WITNESS THEREOF, The Gold Chain Mining Company and the Mammoth Mining Company each has caused these presents to be executed and attested on its behalf under its corporate seal by a resolution of its stockholders, in triplicate, as of the day and year first above written.

ATTEST: THE GOLD CHAIN MINING COMPANY

Secretary By President

ATTEST: MAMMOTH MINING COMPANY

Secretary By President

New Park Mining Company hereby acknowledges receipt and its acceptance of an executed copy of the foregoing Lease and Agreement and that possession of the property described in Exhibit "A" attached hereto has this date been delivered to it, and hereby agrees it will comply with the terms of said Lease and Agreement on its part to be

kept and performed.

Dated this 5 day of August, 1963.

ATTEST:

NEW PARK MINING COMPANY,

Secretary

By Charles Allen
President

Minutes Book

# EXHIBIT "A"

## Claim List -- The Gold Chain Mining Company

| Name | Lot or Survey No. | County | Acreage Owned |
|---|---|---|---|
| Copperopolis No. 2, | Lot 160 | Juab | 9.17 |
| Fraction Lode, | Sur. 3233 | " | 1.675 |
| Mammoth Mine, | Lot 37 | " | 4.59 |
| West Mammoth, | Lot 173 | " | 1.53 |
| 27/64 Int. in Napoleon, | Sur. 3442 | " | 2.20 |
| Side View, | Sur. 2946 | " | |
| Fair View, | Sur. 2951 | " | 10.532 |
| Oneida, | Sur. 2950 | " | |
| Belcher, | Sur. 3750 | " | 5.653 |
| North 1/2 of Hungarian, | Lot 164 | " | 3.27 |
| California, | Lot 114 | " | 6.88 |
| Deseret View, | Sur. 6135 | " | 1.675 |
| 1/2 Int. in Dom Pedro 2nd, | Lot 172 | " | 7.815 |
| Champlain No. 2, | Lot 174 | " | 2.916 |
| Golden Chain, | Lot 339 | " | 11.10 |
| American Eagle, | Sur. 4679 | " | 0.915 |
| Gold Chain Fraction, | Sur. 6191 | " | 1.846 |
| 5/8 Int. in Silver Chain, | Sur. 5880 | " | 5.429 |

# U. S. Government Messenger Envelope

Standard Form 65 (Nov. 1961)
GSA Gen. Reg. No. 27

65-105

| NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM | | NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM | |
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| ~~SUSPENDED ACCOUNTS SECTION ATTENTION: SUPERVISOR, INVESTIGATION, ASSEMBLY AND CONTROL UNIT~~ | STOP | | STOP |
| ~~Alice Crowety Fiscal Operations Bay 1-A-25~~ | STOP | ~~Surgeon General~~ 5069 | STOP |
| | STOP | ~~Mr. White~~ | STOP |
| ~~Mr. T. Elliston DM~~ | STOP | | STOP |
| ~~1-A-25~~ | STOP | ~~Mr. McCallum Rm. 3082 HE~~ | STOP |
| ~~[illegible]~~ | STOP | ~~[illegible]~~ | STOP |
| Harry Magee, DFO ~~3-P-25~~ | STOP | | STOP |
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| ~~[illegible] 2-19 [illegible]~~ | | ~~Cohen DHEW [illegible] Washington, DC~~ ~~Interior Room 2517 Washington, D.C.~~ | STOP |
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MESSENGER
~~Direct to:~~
(Room)

Use other side

Use STOP only when messenger service between Government buildings in Washington, D. C., is required or wherever a STOP system is used.
Your mail room has STOP information.

U.S. Government Printing Office

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| NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM | | | |
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| Mr. Fowler | STOP | L. of Deputy | |
| Joe B. Rosenbaum Room 4624 | STOP | ~~Office~~ of Defense Minerals Exp Bd | STOP |
| ~~Phone - 2529~~ | STOP | Rm 445X Interior Bldg | STOP |
| ~~Pat Reeves~~ | STOP | | STOP |
| ~~Mr Shoob~~ ~~Rm 4067~~ | STOP | Mafco-6514 | STOP |
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| ~~Mr. Skinner~~ ~~Sue Bunch~~ | STOP | | STOP |

Use other side first

Form 7
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OFFICIAL FILE COPY

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JUL 22 1966

Mr. John S. Holland
Vice President
New Park Mining Company
25 Broadway
New York, New York 10004

Re: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Dear Mr. Holland:

We are in receipt of your letter of July 19, 1966, requesting withdrawal of the above-captioned application and return of material submitted with the application.

We acknowledge your decision to withdraw the application, and return herewith two copies of your application complete with maps and supplementary data. We will reta n the original copy in accordance with the General Instructions on the application form. This copy is the Government's permanent record of your application and information contained therein can be referred to if you wish to submit another application sometime in the future. In that event, you need only submit information necessary to update data previously submitted.

We wish you success in any exploration undertaken on the property. If you elect to submit another application for OME assistance, we will give it prompt consideration.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

Copy to: New Park Mining Company
Box 230, Eureka, Utah

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region III w/copy Mr. Holland's letter
OME Reading File
Mr. Kirkemo

HKirkemo/gla 7-22-66

23263

OME-6514 New Park Mining - withdrawn

**INSTRUCTIONS TO DELIVERING EMPLOYEE**

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

*(Additional charges required for these services)*

**RECEIPT**

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

John S. Holland

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

A C Burt

DATE DELIVERED

7-26-66

SHOW WHERE DELIVERED *(only if requested)*

C55—16—71548-5—F GPO

NEW PARK MINING COMPANY
25 BROADWAY, NEW YORK, N.Y. 10004
AREA CODE 212 DIGBY 4-2780

JOHN S. HOLLAND
VICE PRESIDENT
GENERAL MANAGER

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 21 1966
INITIALS | CODE
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July 19, 1966

United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention:
Mr. Frank E. Johnson, Chief

Re: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Dear Sirs:

In response to your letter of June 22, 1966, addressed to this Company at Eureka, Utah, we hereby withdraw the above-captioned application for financial assistance in exploration of the Mammoth Mine, Juab County, Utah, which we submitted October 27, 1965.

It would be appreciated if copies of the application, maps and various supporting data are returned to us as it is possible that we will submit another application for this property at some later date.

We appreciate the consideration and study given this application by your staff and the courtesies rendered on the several occasions when representatives of this Company visited your office in Washington.

Yours very truly,

John S. Holland

John S. Holland

JSH:ACB

CC: Messrs. G. W. Day
G. M. Wiles
E. S. McIntyre

Copy to: OME Region III

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
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JUN 22 1966

New Park Mining Company
Box 230
Eureka, Utah

Re: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Gentlemen:

To date, we have not received an answer to our letter of May 9, 1966, to you. Will you please inform us what your plans are regarding the subject application.

If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading
Division File
Economic Geology File
OME Docket
OME Reading File
Region III

23263

Wall Street Journal
June 21, 1966 p. 23.
DMF · 6514

# New Park Mining Proposal To Boost Shares Defeated

*By a* WALL STREET JOURNAL *Staff Reporter*

SALT LAKE CITY — A proposal to increase the authorized number of New Park Mining Co. common shares from 3.5 million to 5 million and to waive preemptive rights of shareholders to new security issues failed to win approval at the annual meeting here.

A company spokesman said the vote was 1,125,000 shares for the increase and 200,000 against. To win approval, however, the proposal needed a majority of the 3,424,042 shares of common stock outstanding. The spokesman blamed the result on an inadequate return of proxies, stemming, in part, from a 'snafu" in mailing the ballots. The issue will probably be presented again next year, he said.

Shareholders approved a stock option plan for officers of the company and elected eight directors at the meeting.

John S. Holland, vice-president and general manager, said operation of the Mayflower gold mine by Hecla Mining Co. had resulted in net operating income of $770,418 in the first five months of 1966, up from $233,874 a year earlier. The increase is largely due to higher daily mill tonnage, he said.

The New Park board ratified an amendment to the Mayflower operating agreement whereby Hecla's recovery of advances will be extended under a plan begun May 1. Hecla will receive 20% of New Park's half share of the Mayflower net operating income until the end of 1966, and 50% of New Park's share thereafter until the remaining advances of $296,715 have been recovered.

New Park hadn't been receiving profit from the Mayflower mine because it owed Hecla for preproduction and other advances. Hecla operates the mine under a lease from New Park.

MME Form 7
(2/63)

OFFICIAL FILE COPY

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MAY 9 1966

New Park Mining Company
Box 230
Eureka, Utah

Re: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Gentlemen:

In an office conference with Mr. John Holland and Mr. Ray Full on February 23, 1966, on the subject application, we were advised that we would be notified as to the course of action the company would take upon consideration of Mr. Full's recommendations. Since then, we have not heard from you. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON
Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III

MMerrithew/mm (5/6/66)

232.63

Lloyd Wiles
steel McIntyre
Selfridge
Kirkwood

12/13/65

Pumping from 2400 level - dumped into hole on 2100 level
260 g/m

90" above 2600 level now - stationary.

509' DDH from face 2400 - 60 days.
Boyles Bros Wireline. BX

About Million gallons in shaft. - Wiles

want to XC to cut possible fissures parallel to one explored on 2400 & 2600 levels.

Shenon & Field preparing report on property.

Might consider diamond drilling on own account.

Oxidized ore - sent to smelter instead of mills
$1.10/ton smelter
97¢

Form 7
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OFFICIAL FILE COPY

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January 10, 1966

Memorandum

To: The File

From: Harold Kirkemo

Subject: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Messrs. John Holland, Manager, (newly appointed) New Park Mining Co., and Gloyd M. Wiles, Mining Consultant, Port Washington, New York, visited our offices today to report that Shenon and Full's report on the Mammoth mine was expected in late January. Presumably any decision the Applicant will make with respect to our alternate exploration proposal of December 15, 1965, will be based on this report.

They reported that a sump is being prepared at the 2,460-ft. level. Submersible pumps will be used to dewater the 2600 level. Wiles said that purchase and installation of pumps and pipe to the surface will cost about $25,000, and that the company probably would go ahead with this work on its own account.

Harold Kirkemo

Harold Kirkemo

HKirkemo/gla (1-10-66)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Kirkemo

Office conference on Feb. 23, 1966 with Mr. John Holland and Mr. Key Field to review Mr. Full's report and recommendations for engineering the Mammoth mine. Company will be provided Full's recommendations and receive our comments at time.

Kirkemo

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 12/15 | Kirkemo | 120 |
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DEC 15 1965

New Park Mining Company
Box 230
Eureka, Utah

Re: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Gentlemen:

I am sorry that I was away from the office last Monday when Mr. McIntyre and Mr. Wiles visited here and discussed your OME application with Mr. Selfridge and Mr. Kirkemo. The opportunity for personal exchange of information and a discussion of problems is always appreciated and useful. We have considered the views expressed at this conference and offer the following comments in reply.

Because of the uncertainty of the location of the Gold Chain fissure in the southern workings on the 2400 and 2600 levels, and the lack of information concerning the favorability for ore of the middle limestone member in the Ophir Formation in the Mammoth mine, we restate our decision of November 18, 1965 not to participate in dewatering the 2600 level at this time.

We believe it is more important first to test the possibilities for ore in the favorable horizon of the Ophir Formation where it may be intersected by the Gold Chain fissure. This can be accomplished by diamond drilling a few holes from the 2400 level or the 2600 level into the favorable limestone member under presently known deposits associated with the Gold Chain fissure. We would consider sharing in the costs of crosscutting to establish drill stations and drilling from either level, but not in dewatering the 2600 level for such work on that level.

Depending upon the results of the above exploration, we would consider participation in future work on the 2600 level.

23263

If the forthcoming report by Shenon and Full contributes additional information that is useful in planning exploration of the Mammoth mine in the area under consideration for an OME project, we would appreciate an opportunity to study it.

We look forward to your views regarding our suggestions for drilling.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc to: Mr. Gloyd M. Wiles
Tower-Wiles and Associates
Farm View Road
Port Washington, New York

HKirkemo/gla (12-15-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Region III
OME Reading File
Harold Kirkemo

MME Form 7
(2/63)

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December 13, 1965

Memorandum

To: Chief, Office of Minerals Exploration

From: Harold Kirkemo, Geologist

Subject: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Messrs. E. Steele McIntyre, Superintendent, New Park Mining Company, Eureka, Utah, and Gloyd M. Wiles, Mining Consultant, Port Washington, N. Y., visited our offices today to discuss New Park's OME application with George C. Selfridge and me.

Our suggested proposal of November 18 to drill from the 2400 level of the Mammoth mine for the target horizon in the Ophir Formation does not meet with the company's favor because 1) recovery of mineralized drill core is difficult and unsatisfactory, and 2) mining activities cannot be conducted through drill holes. The latter point was of special concern because of the current favorable metal prices.

Wiles contended that the 2600 level could be pumped out in a few days thus making the south drift accessible and ready to advance south to the projected location of the Ophir Formation. Once into this formation, drifts would be driven to search for possible fissures parallel to the one (Gold Chain) explored on the 2400 and 2600 levels.

The Gold Chain fissure is cut off by a fault in the southern workings of the 2400 level, and has not been located south of the fault according to the Applicant.

McIntyre reported that the 509-foot drill hole from the face of the 2400 level into the Ophir Formation required about 60 days to complete. Wireline equipment, yielding BX equivalent size core was

used. The Applicant does not wish to undertake additional drilling because of the costly experience with this hole.

In the next month or two the Applicant is expecting to receive a report on the property prepared by Shenon and Full, Salt Lake City consultants. Meanwhile the company wants to acquire pipe and pumps for dewatering the 2600 level and expects this would require several months to get underway. If the Government does not elect to join in dewatering the 2600 level, the Applicant might consider doing this on its own account. Wiles estimated about 1 million gallons of water in the workings on the 2600 level.

We expressed no enthusiasm for dewatering, drifting, and cross-cutting on the 2600 level. We contended that the best targets were in the middle limestone member of the Ophir Formation at the intersections of the Gold Chain fissure, and the strong NW-trending faults. These targets could be tested by drilling from the 2400 level. Perhaps larger coring equipment and other drillers would yield better results than the Applicant has had with drilling to date.

I think it would be to the Applicant's advantage to study Shenon and Full's report before undertaking any exploration or dewatering activities.

When I discussed this application briefly with Hal Morris, U.S.G.S., on November 12, he cautioned us not to participate in dewatering the 2600 level as a preliminary stage in a possible OME contract. The discussion today did not refute this advice.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
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Economic Geology File
OME Reading File
MrKirkemo

MME Form 7
(2/63)

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New Park Mining Company
Box 230
Eureka, Utah

Re: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

Gentlemen:

We have reviewed your application to explore the Mammoth mine and have tentatively concluded that the ore possibilities of a major portion of the proposed target area can be tested by diamond drilling from the 2400 level.

It is our understanding that the principal host rock for ore in the area proposed for exploration is the middle limestone member of the Ophir Formation and that fracture zones in this limestone merit testing, particularly those occurring along the Gold Chain fissure and major intersecting faults. Considering the present inaccessibility of the 2600 level because of water, it is both feasible and practical to test ore possibilities in these areas by drilling from the 2400 level. This would avoid the extra cost of pumping that is necessary to reenter the 2600 level. If such exploration is successful in locating significant ore bodies, subsequent exploration plans based on results of the initial program can be considered.

We invite your consideration of this suggestion and look forward to your reply.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/mm (11/18/65)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region III
Kirkemo

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November 16, 1965

Memorandum

To: The File

From: Harold Kirkemo

Subject: OME-6514 (Silver-Gold)
New Park Mining Company
Mammoth Mine
Juab County, Utah

The Applicant proposes to dewater the bottom level (2600 level) of the Mammoth mine in the Tintic district, to extend the level southward an additional 840 feet along the Gold Chain fissure thereby crosscutting the favorable middle limestone member in the Ophir Formation, to drift and crosscut 760 feet in this limestone and along a projected cross fault, and to diamond drill a total of 1,900 feet. Total estimated cost of the project is $135,586.01.

Geologic conditions are favorable for the occurrence of significant ore bodies in the area proposed for exploration. An alternative plan based on diamond drilling from the 2400 level offers a less expensive program of exploration.

Workings on the 2400 and 2600 levels of the Mammoth mine extend south from the Mammoth shaft and penetrate successively older formations beginning with an upper limestone member in the Herkimer Limestone Formation, crossing the Dagmar Limestone Formation, and terminating near the base of the Teutonic Limestone Formation in the present south face of the 2600 level. All of these formations are of Cambrian age. The principal goal is the middle limestone member of the Ophir Formation, which is projected to be about 525 feet south of the face of the 2400 level, and 300 feet south of the present face of the 2600 level. In vertical section the Ophir limestone is projected to be about 175 feet vertically below the face of the 2400 level, and 80 feet below the 2600 level.

The 2400 and 2600 levels were driven southward along a fissure system, the Gold Chain, to explore for ore bodies at the intersections of the fissure with favorable host rocks, particularly the Ophir limestone.

Water inflow forced abandonment of the 2600 level in June 1965. The water level is rising at the rate of an inch per week and was about 7 feet above the floor of the 2600 station in late October 1965.

Proven and probable ore reserves in small ore bodies discovered along workings already completed total 116,200 tons averaging 0.08 ounces gold and 15 ounces silver per ton and 5.5 percent lead. The reserve is about equally divided between replacement ore bodies along the fissure, and replacement bedded-type ore bodies in favorable formations cut by the fissure. The possibility of significantly larger ore bodies in the principal target areas is the main reason for the exploration.

Production from the Mammoth mine totals about 1 million tons of ore averaging 0.10 ounces gold and 11.1 ounces silver per ton, 1.6 percent copper, and 1.5 percent lead. Most of this ore occurred in a vertical ore shoot north of the Mammoth shaft and north of a major east-trending fault, the Sioux-Ajax, and in a bedded replacement deposit. These ore bodies were more than 1,200 feet north of the area which the Applicant wishes to explore under an OME contract.

I conferred briefly on November 12, 1965, with Mr. Hal T. Morris, Chief, Base Metals Branch, U.S.G.S., regarding this proposal. Morris visited the mine in September 1965 and is well qualified to assess the merits of the proposal because of his studies in the Tintic and East Tintic districts.

He believed it would be worthwhile to explore this portion of the Mammoth mine because of the possibility of ore bodies situated at the intersection of the Gold Chain fissure with certain favorable beds, particularly the middle limestone member of the Ophir Formation, and along strong cross faults such as the one shown on the Applicant's map of the proposed work on the 2600 level.

The search for ore bodies in the target area can be accomplished by diamond drilling from the existing south drift on the 2400 level. This would avoid the expense of dewatering the shaft and maintaining the water level below the 2600 level. A drill station is established at the south end of the 2400 level, and a drill hole has penetrated the Ophir limestone thereby locating the host rock for the main exploration target.

The Government should suggest to the Applicant that he consider an alternative program based on drilling from the 2400 level; and, if acceptable to him, that he amend or revise his original application accordingly.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
Division File
OME Docket
OME Reading File
Kirkemo

DMEA Form 7
(12-56)

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November 8, 1965

Memorandum

To: The File

From: Harold Kirkemo

Subject: OME-6514 (Gold-Silver)
New Park Mining Company
Mammoth Mine
Juab County, Utah

I have arranged to discuss this application with Mr. H. T. Morris, Chief, Base Metals Branch, U.S.G.S.. He is one of the best informed individuals on the Tintic district, and he visited the Mammoth mine recently.

The Applicant did not submit copies of letters to the banks requesting loan funds for the proposed project.

If New Park Mining Company is controlled or affiliated with any other mining company, the extent and nature of the latter's interest are not stated.

Geologic maps of the 2400 and 2600 levels were submitted, but no maps of the upper levels were submitted. Geologic maps of the whole mine, or at least of the area above the levels involved in the exploration, would be useful in reviewing the application.

Per-foot drift and crosscut cost estimates are high. Some of the cost breakdown is not given, such as what is included in "direct supplies and materials."

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Kirkemo

8623

November 3, 1965

New Park Mining Company
Box 230
Eureka, Utah

Subject: OME - 6514

Gentlemen:

Your application for exploration assistance, dated October 27, 1965, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6514.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region III
with copy of application

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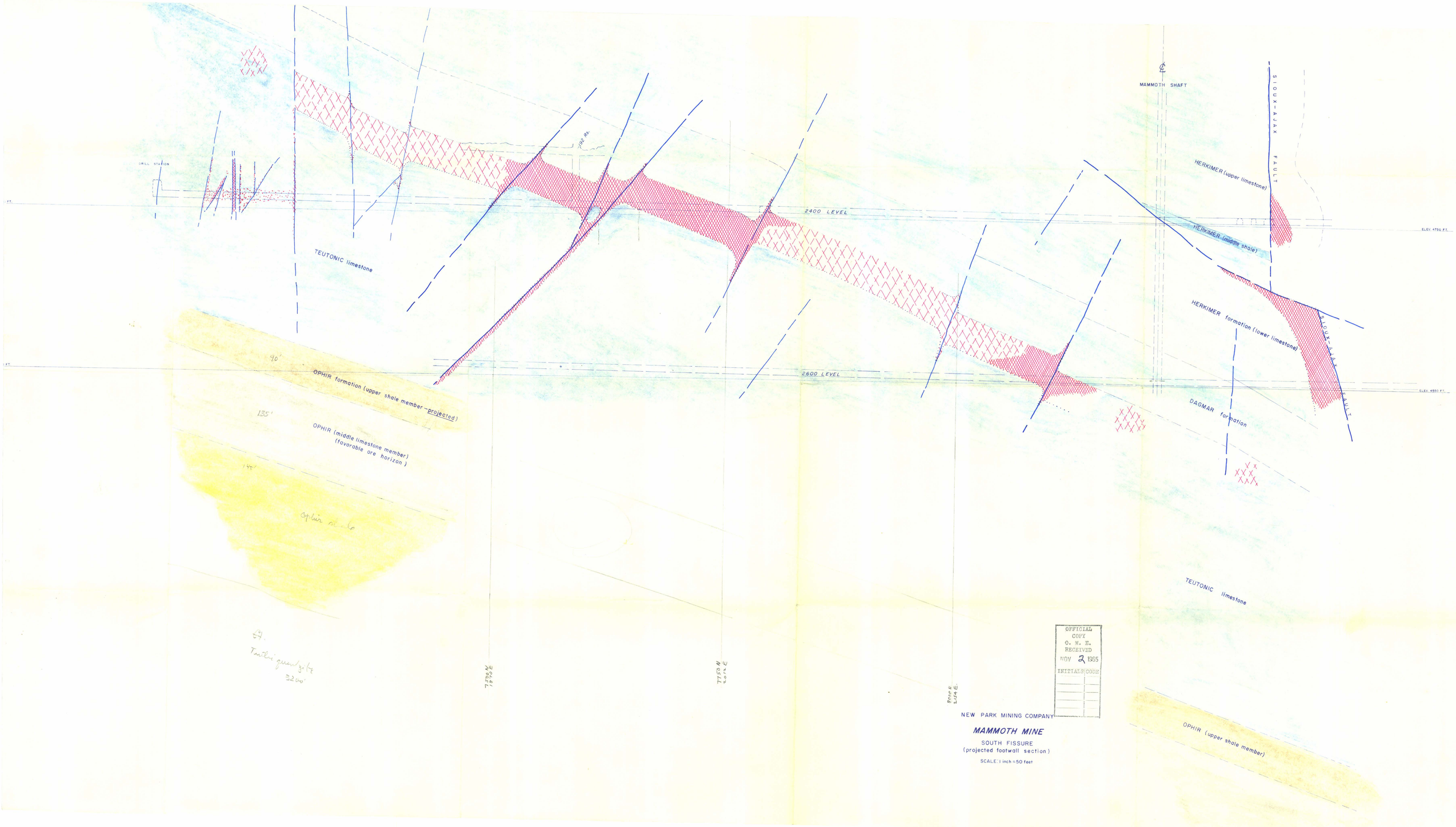
DRILL STATION
TEUTONIC limestone
2400 LEVEL
2600 LEVEL
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MAMMOTH SHAFT
SIOUX-AJAX FAULT
HERKIMER (upper limestone)
HERKIMER (middle shale)
HERKIMER formation (lower limestone)
DAGMAR formation
TEUTONIC limestone
OPHIR formation (upper shale member-projected)
OPHIR (middle limestone member)
(favorable ore horizon)
OPHIR (upper shale member)
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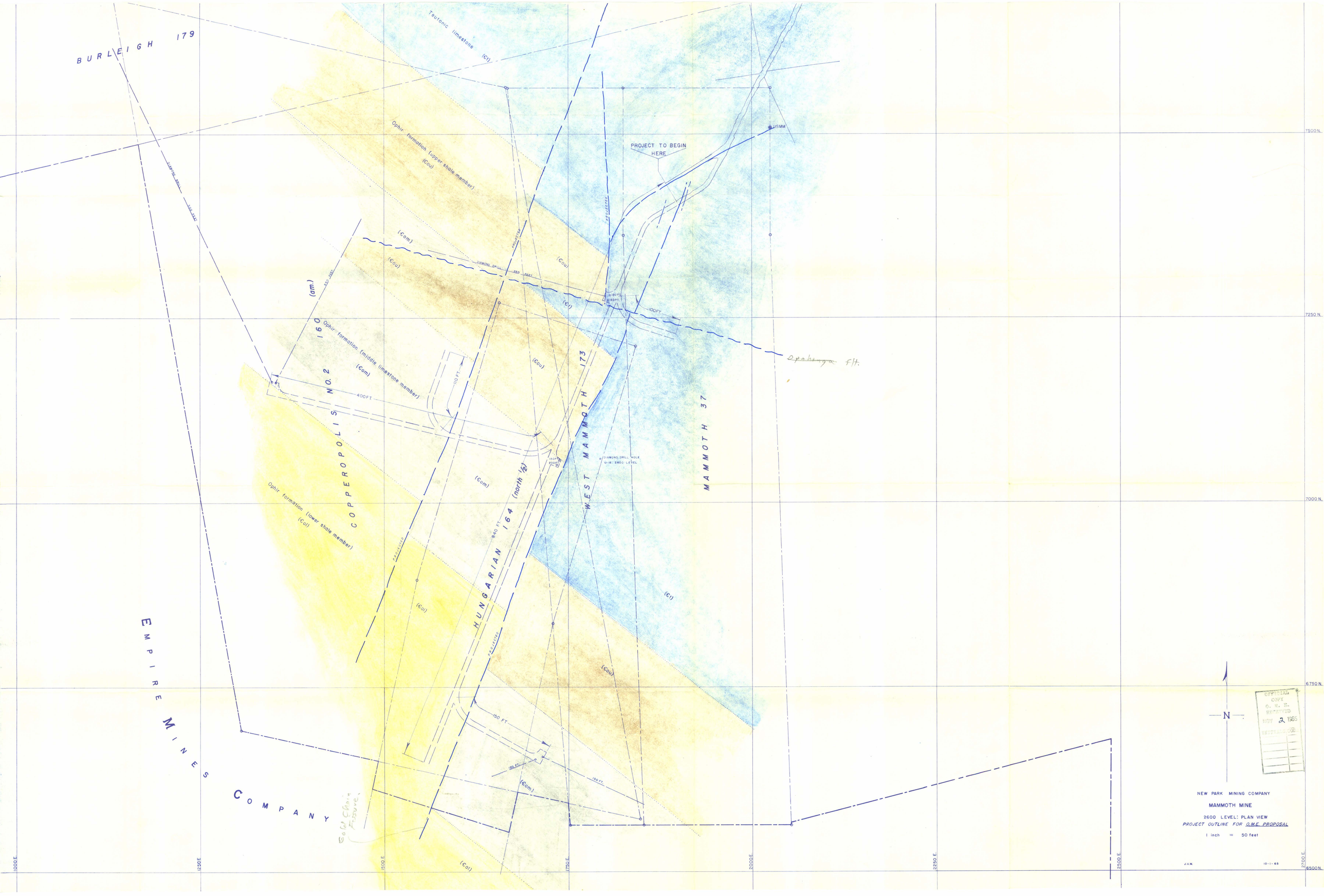
NEW PARK MINING COMPANY
MAMMOTH MINE
SOUTH FISSURE
(projected footwall section)
SCALE: 1 inch = 50 feet


BURLEIGH 179
Tautonic limestone (€t)
Ophir formation (upper shale member) (€ou)
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PROJECTED
DIAMOND DRILL 250 FEET
PROJECT TO BEGIN HERE
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150 FT.
840 FT.
DIAMOND DRILL HOLE
G.M.E. 2600 LEVEL
COPPEROPOLIS NO. 2 160
HUNGARIAN 164 (north ½)
WEST MAMMOTH 173
MAMMOTH 37
EMPIRE MINES COMPANY
Gold Chain Fissure.
Opohonga Flt.
7500 N.
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7000 N.
6750 N.
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1000 E.
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OFFICIAL COPY G. M. E. RECEIVED NOV 2 1965
NEW PARK MINING COMPANY
MAMMOTH MINE
2600 LEVEL: PLAN VIEW
PROJECT OUTLINE FOR G.M.E. PROPOSAL
1 inch = 50 feet
J.V.M.
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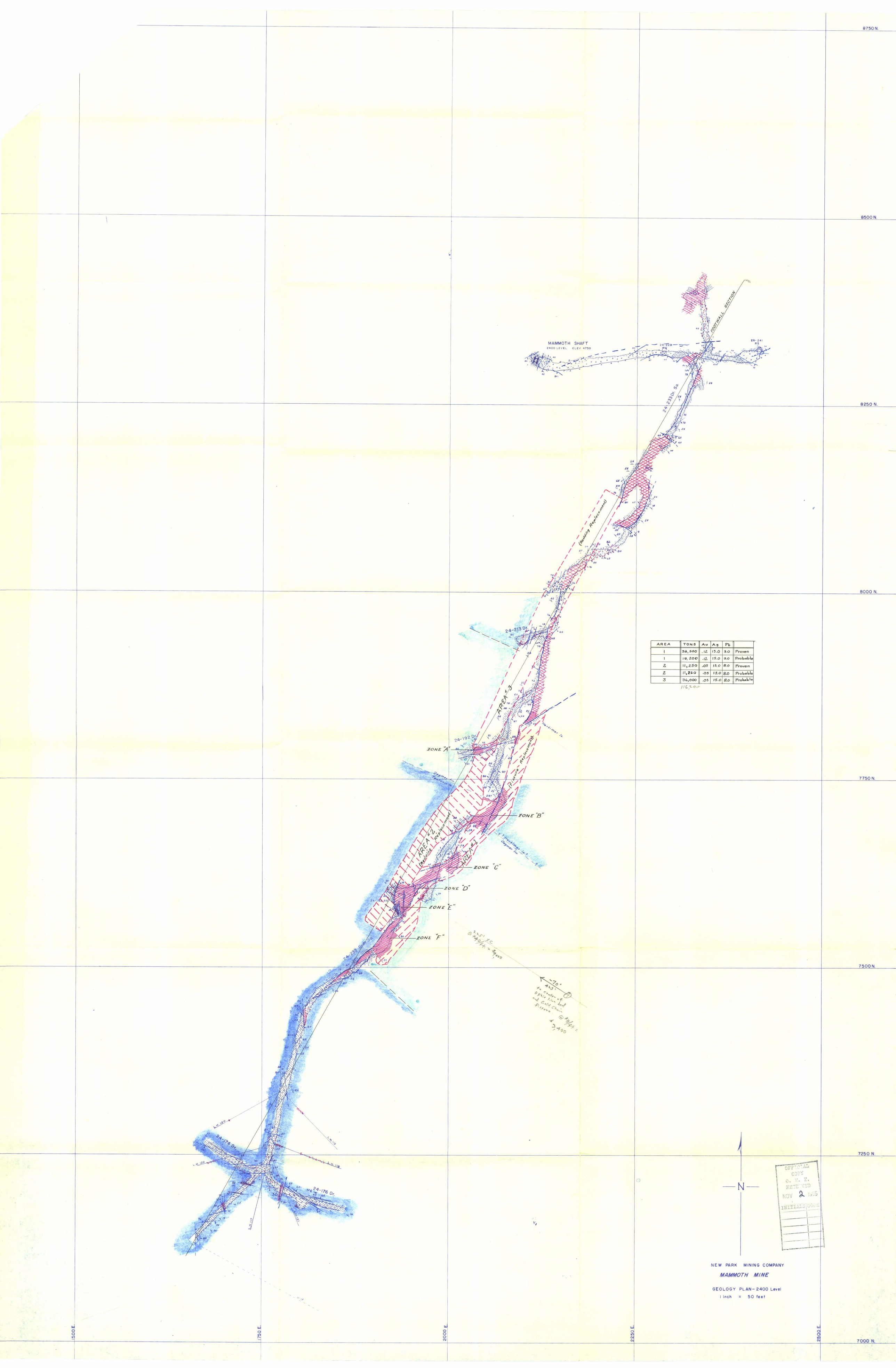


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| 1 | 19,200 | .12 | 15.0 | 3.0 | Probable |
| 2 | 11,250 | .05 | 15.0 | 8.0 | Proven |
| 2 | 11,250 | .05 | 15.0 | 8.0 | Probable |
| 3 | 36,000 | .05 | 15.0 | 8.0 | Probable |
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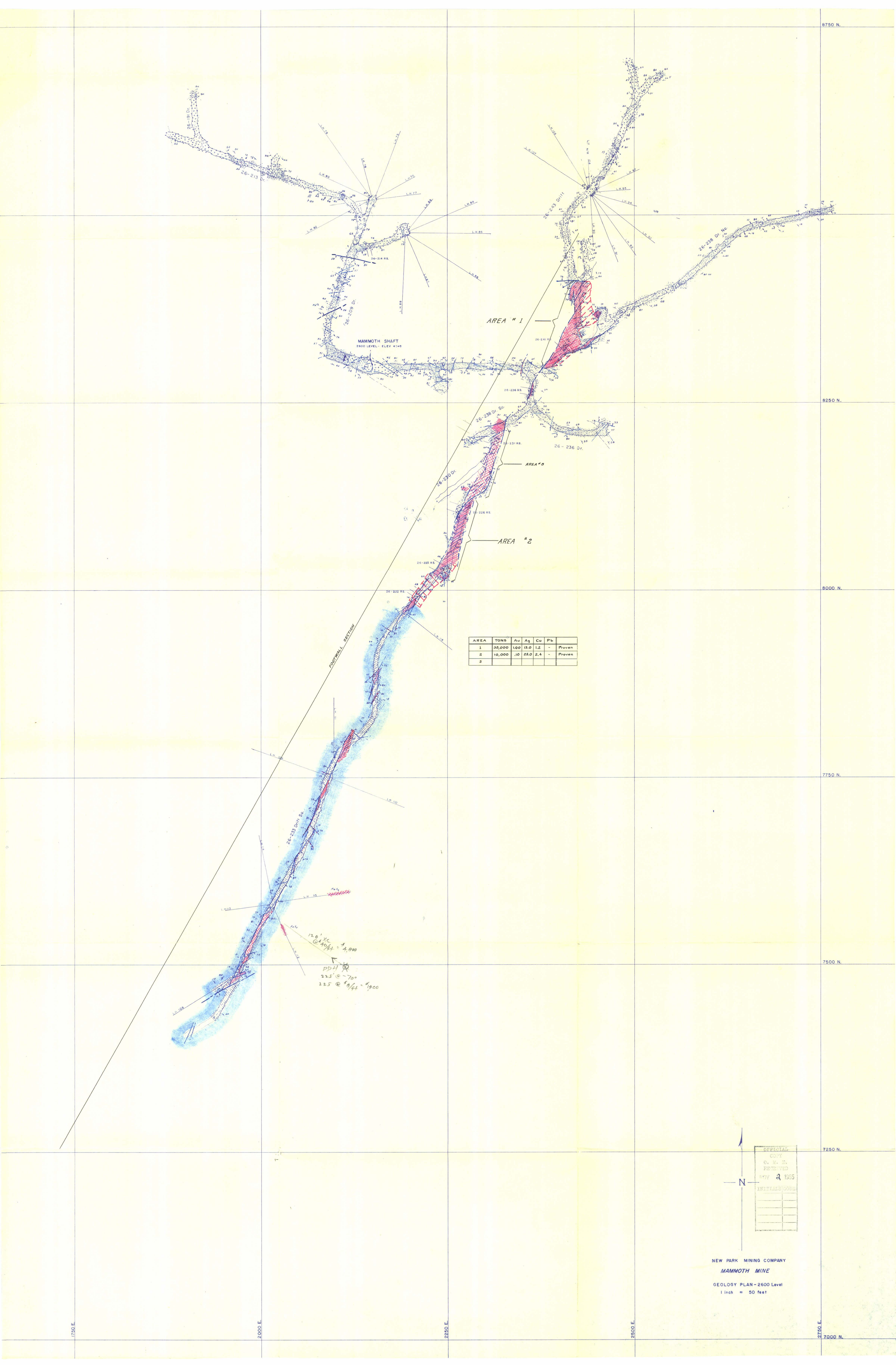
NEW PARK MINING COMPANY

*MAMMOTH MINE*

GEOLOGY PLAN - 2400 Level

1 inch = 50 feet

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