OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Second Amended Contract Idm-860, Docket DMA-325 (zinc), effective August 1, 1957, with

Grandview Mines, Inc.
Suite 310, Radio Central Building
Spokane 4, Washington

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Scandia Mine located in Stevens County, Washington, during the period September 9, 1959, through April 9, 1962.

A certification of discovery or development was issued on March 19, 1957, and, in accordance with Articles 6 and 10 and Annex II of the Second Amended Contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 16 years from the date of the Amended Contract (August 15, 1952) or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated November 7, 1958, indicated accepted costs under the exploration contract amounting to $44,922.00 with the Government's contribution on a 50 percent basis being $22,461.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through September 8, 1959. Accordingly, as of April 9, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert

May 3, 1962

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This Second Amended Contract provides that the Operator, as principal if the producer and as surety if not the producer, shall pay the Government a percentage royalty on all minerals produced from the Scandia and Triangle Fraction unpatented claims and other properties located in the NE¼ of sec. 23, T. 39 N., R. 40 E., WM, Northport Mining District. At the time this contract was executed the Operator was in possession of the lands thereunder by virtue of a December 1, 1955, option agreement with Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, all of Spokane, Washington. In consideration of this contract, the landowners, who were the Operators under an Original Contract and an Amended Contract, executed a Consent to Lien and Subordination Agreement on June 18, 1957.

Exploration work under the contract was completed during August 1958. No ores were produced during the exploration period. Subsequent examinations of the property and inquiries have disclosed no production.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate no minerals were produced during the period covered by this review; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

So. 157 Howard Street
Spokane 4, Washington
May 10, 1962

COPY
O. M. E
MAY 1962

800

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, OME, Region I

Subject: DMA-325 (Zinc)
Grandview Mines, Inc.
Scandia Mine
Stevens County, Washington
Second Amended Contract Idm-E60

There is enclosed a Report of Royalty Review dated May 3, 1962, made for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Scandia Mine, located in Stevens County, Washington, during the period September 9, 1959, through April 9, 1962.

This Report of Royalty Review is for record purposes only, and no copy has been provided for the Operator.

D. R. MacLaren

Enclosure

DRMacLaren:my
cc: CASA Div., OME
OME; CPF
Reading copies to:
Nolan
Hobbs
Guild

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMA-325 (Zinc)
Grandview Mines, Inc.
Scandia Mine
Stevens County, Washington
Second Amended Contract Idm-860

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 5-3-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Second Amended Contract No. Idm-E60, Docket No. DMA-325 (Zinc), effective August 1, 1957, with

Grandview Mines, Inc.
Suite 310, Radio Central Building
Spokane 4, Washington

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Scandia Mine located in Stevens County, Washington, during the period August 15, 1952, through September 8, 1959.

A certification of discovery or development was issued on March 19, 1957, and, in accordance with Articles 6 and 10 and Annex II of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 16 years from August 15, 1952, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final cost audit dated November 7, 1958, indicated accepted costs under the exploration contract amounting to $44,922.00 with the Government's contribution, on a 50 percent basis, being $22,461.00.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The mine has not been operated since completion of the exploration;
(2) Semi-annual reports by representatives of the Field Team, Region I, and other documents in the files do not disclose any production or sales of minerals from this property subject to Government royalty during the exploration period or subsequent thereto; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review has indicated that there has not been any production since August 15, 1952, from the land described in Article 2 of the Second Amended Contract and no royalty is due the Government.

C. E. Fisher

C. E. Fisher, OMF Auditor

September 16, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Grandview Mines, Inc.

Address 310 Radio Central Building

Spokane, Washington

Exploration Contract No. Idm-E60 Docket No. DMEA-325

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		X
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		X
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?	X	
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?	X	
7.	Does the Operator buy from or sell to other Operators?		X
8.	Comment on any item 2 (b) to 6 if answer is No.		

Property inactive.

September 8, 1959
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 14 1958

DATE	INITIALS	CODE
11/14	C	220
		800

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Grandview Mines, Inc.
Suite 310 Radio Central Building
Spokane 4, Washington

pertaining to Exploration Project Contract No. Idm-E60, Docket No. DMA-325, dated July 16, 1951, including Amendment Nos. 1 to 3, inclusive, Amended Contract No. Idm-E60, Docket No. DMA-325, dated August 15, 1952, including Amendment Nos. 4 to 8, inclusive, and Second Amended Contract No. Idm-E60, Docket No. DMA-325, effective August 1, 1957, for the months of July 1951 to August 1958, inclusive, covering a project for the exploration of Zinc, on property known as the Scandia Mine, located in Stevens County, Washington.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team Reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by the Contractor		$44,930.50
Exceptions:		
Prior audit and review	$7.61	
Herewith (excess over contract)	.89	8.50
Total Accepted Cost		$44,922.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Twenty Two Thousand Four Hundred Sixty One and no/100 Dollars is valid and proper, provided that the Regional Executive Officer, The Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$22,461.00
Amount paid to date	21,461.45
Balance due Operator	$ 999.55

George Mavor
George Mavor, OME Auditor

November 7, 1958

Reasons for Report of Review in lieu of a final audit

Idm-E60 | Grandview Mines, Inc. | DMA-325

(a) a major portion ($29,252.39) of accepted costs was covered by a Report of Review dated November 19, 1956, issued by C. A. Turner, DMEA Auditor;

(b) the balance($15,669.61) of the accepted costs was under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed; and

(c) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder.

So. 157 Howard Street
Spokane 4, Washington

November 20, 1958

EXTRA COPY O. M. E. RECEIVED NOV 24 1958		
DATE	INITIALS	CODE
		800

Grandview Mines, Inc.
Suite 310 Radio Central Building
Spokane 4, Washington

Re: Docket No. DMEA-325 (Zinc)
Grandview Mines, Inc.
Scandia Mine
Stevens County, Washington
Contract No. Idm-200

Gentlemen:

Enclosed for your information and files is a copy of a Report of Review dated November 7, 1958, for the period July 1951 to August 1958, inclusive, covering a project for the exploration of zinc at the Scandia Mine.

The audit discloses that there is a balance due your company of $999.55. This amount has been scheduled for payment and you should receive a check in a few days.

Sincerely yours,

A. E. Weissenborn
Executive Officer, OME
Field Team Region I

Enclosure

cc: OME (2)
USBM (2)
USBM(AD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
420 Custom House, 555 Battery Street
San Francisco 11, California

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 14 1958

DATE	INITIALS	CODE
11/14	C	220
		800

November 13, 1958

Certified Mail

Mrs. Dorothy F. Long
Authorized Certifying Officer
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. IMEL-325
Grandview Mines, Inc.
Contract No. Idm-260

Dear Mrs. Long:

Reference is made to your letter dated October 29, 1958, in connection with audit of subject contract. Audit is now complete, and I am enclosing herewith one original and 3 copies of Report of Review for further distribution by your office. The report shows a balance due the Operator in amount of $999.55, and the report was approved by the Washington Office November 7, 1958.

I am also enclosing the following material previously submitted by you.

1 Contract and Correspondence File
(Includes original contract, amending and supplementing agreement, with attachments; Second amended contract, Annex I and II, and Exhibit "A")

2. Voucher File
(MF-104's and 104A's, with attachments)

Sincerely yours

"(SIGNED) GEORGE MAYOR"

George Mayor
OME Auditor

Enclosures:

Copy to: Jay L. Chambers

NOV 7 1958

Mr. George Mavor
OME Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMA-325
Grandview Mines, Inc.
Contract No. Idm-E60

Dear Mr. Mavor:

Returned without approval are the three copies of your proposed Report of Review on the referenced project as submitted with your letter of November 4, 1958. Also enclosed are the original and seven copies of a revised Report of Review.

After signing all copies normal distribution, including return to this Division of three copies, is authorized.

This contract specifically provides in Article 1(b) that the Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $22,461.00 even though the detailed costs shown in Exhibit "A" actually add to slightly more than the contractual $44,922.00 total cost of the project work.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

EDTalbert/GMcC
November 6, 1958

cc: Docket
Director's Reading File
Mr. Chambers

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 6 1958

DATE	INITIALS	CODE
11/6	C	220
		800

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

420 Custom House
555 Battery Street
San Francisco 11, California

November 4, 1958

Mr. Jay L. Chambers
Contract Administration and Audit Division
Office of Minerals Exploration
Washington 25, D. C.

Re: Idm-E60, DMA-325
Grandview Mines, Inc.
Scandia Mine

Dear Mr. Chambers:

Attached hereto are 3 copies of Report of Review for subject contract, prepared for Region I, and submitted to your office for approval, however there is a small difference in costs amounting to $0.89, due to the detailed total of costs shown in Exhibit "A" as $44,922.89, and the total estimate of the contract showing the total "rounded to" $44,922.00.

The costs claimed and paid to date are as follows;

	Costs Claimed	50% Gov't Participation
Stage I and Stage II Work		
Report of Review dated 11-19-56	$29,252.39	$14,626.20
Stage III Work		
MF-104, June 1958	4,078.56	2,039.28
MF-104, July & Aug. 1958	11,591.94	5,795.97
	$44,922.89	$22,461.45
Less: Withheld on MF-104, July & Aug. 1958		1,000.00
Net amount paid to Operator		$21,461.45

The Operator has claimed the costs in accordance with the fixed unit costs for Stage III, amounting to $15,670.50, and the question arises as to whether or not the difference of $0.89 in cost can be adjusted by your office or deduct $0.45 from the $1,000.00 withheld, making the final payment to the Operator, $999.55, in order to agree with the round figure of $22,461.00 as shown in contract.

Sincerely yours,

George Mayor

George Mayor, OME Auditor

1201 N. Division St.
Spokane 2, Washington

October 29, 1958

ORIGINAL FILE COPY
RECEIVED M. E.
NOV 3 1958
11/3

CERTIFIED MAIL

Mr. George Mavor, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco, California

Re: Docket No. DMA-325 (zinc)
Grandview Mines, Inc.
Scandia Mine
Second Amended Contract No. Idm-E60

Dear Mr. Mavor:

Enclosed herewith is memorandum from the Field Team, Region I, requesting final audit of the above-named account. In addition, we are transmitting the following material which you will need to complete your audit:

1. Contract and Correspondence File
   (Includes original contract, amending and supplementing agreement, with attachments; Second Amended Contract, Annex I and II, and Exhibit "A")
2. Voucher File
   (Mf-104's and 104A's, with attachments)

We have withheld the sum of $1000 pending final audit.

Sincerely,

Dorothy F. Long
Authorized Certifying Officer

Enclosures
cc: Mr. Chambers
OME (2)
USGS (2)
USBM (AD)

EXTRA COPY
OME
RECEIVED
DATE

1201 N. Division St.
Spokane 2, Washington

October 29, 1958

Mr. George Mayer, OME Auditor
Room 420, Custom House
555 Battery Street
San Francisco 11, Calif.

Re: Docket No. DMA-325 (zinc)
Grandview Mines, Inc.
Scandia Mine
Stevens County, Washington
Second Amended Contract No. Idm-260

Dear Mr. Mayer:

The work authorized under the referenced contract was completed by October 3, 1958.

The number of units of work satisfactorily completed by the Operator and accepted by the Field Team are:

Stage III (fixed costs)	Unit Cost	Authorized	Approved
Core drilling	$6.96/ft.	2,225 ft.	2,225 ft.
Assay determinations	1.00/ea.	160	160
Sample sacks	0.35/ea.	70	70

The Operator's final engineering and geological report was received on October 20, 1958. This report meets the requirements of Article 5(c) of the contract.

A Certification of Discovery or Development, issued March 19, 1957, is considered as having been made pursuant to the provisions of Article 6(a) of this Second Amended Contract.

The total amount paid to date to the Operator is $21,461.45.

A Report of Review in lieu of a final audit is in order and requested.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: Mr. Chambers
OME (2)
USGS (2)
USBM (AD)

1201 N. Division St.
Spokane 2, Washington

November 17, 1958

EXTRA COPY
O. M. E.
RECEIVED NOV 20 1958
DATE CODE
800

Mrs. Dorothy Long, Certifying Officer
OME Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMA-325X (zinc)
Grandview Mines, Inc.
Scandia Mine
Second Amended Contract Idm-E60

Dear Mrs. Long:

The work authorized under the referenced contract was completed by October 3, 1958. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

A Certification of Discovery or Development, issued March 19, 1957, is considered as having been made pursuant to the provisions of Article 6(a) of this Second Amended Contract.

A final Report of Review dated November 7, 1958 by OME Auditor George Mavor has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely,

A. E. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

Standard Form No. 1034—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 2249

RECEIVED NOV 24 1958

U. S. .....
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 11/17/58
(Give place and date)

THE UNITED STATES, Dr., *Payee's Account No.* Idn-260

To Grandview Mines, Inc.
(Payee)

310 Radio Central Bldg., Spokane Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July and August 1958	Funds withheld from Voucher No. 2239 dated October 23, 1958, adjusted to audit				999	55
PAYMENT: Complete ☐ Partial ☐ Final ☐		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	999	55

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

Per ..... Title .....

(Payee must NOT use this space)

Differences .....

Account verified; correct for 999 55

(Signature or initials) H. B.

Contract No. Date Req. No. Date Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19..... Payee .....
(Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

Per .....

Title .....

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

16 —22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

1201 N. Division St.
Spokane 2, Washington

November 17, 1958

EXTRA COPY
O. M. E.
RECEIVED NOV 24 1958
DATE | CODE

Mrs. Dorothy Long, Certifying Officer
OME Field Team, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. EMA-325X (zinc)
Grandview Mines, Inc.
Scandia Mine
Second Amended Contract Idm-260

Dear Mrs. Long:

The work authorized under the referenced contract was completed by October 3, 1958. A final report evaluating the results of the exploration program has been presented by the Operator and accepted by the Executive Officer.

The Government has no interest in supplies or equipment purchased for use on the project.

A Certification of Discovery or Development, issued March 19, 1957, is considered as having been made pursuant to the provisions of Article 6(a) of this Second Amended Contract.

A final Report of Review dated November 7, 1958 by OME Auditor George Mavor has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely,

A. E. Weissenborn, Exec. Officer
OME Field Team, Region I

cc: OME (2)
USGS (2)
Contract Admin. & Audit Div. (2)
Docket

1211 N. Division St.
Spokane 2, Washington

October 24, 1958

800

Grandview Mines, Inc.
Suite 310, Radio Central Building
Spokane 4, Washington

Re: Docket No. DMA-325 (zinc)
Grandview Mines, Inc.
Second Amended Contract No. Idm-E60
Monthly operating report for
July and August 1958

Gentlemen:

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

We are withholding an amount of $1,000.00 pending final audit by a representative of the Contract Administration and Audit Division of Office of Minerals Exploration. This is the customary procedure and is applicable to all contracts.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: OME (2)
USGS (2)
AD

Form M[illegible]04 (R[illegible]) (A[illegible] 952)

RECEIVED O.M.E.

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. ~~DMEA~~ DMA 325 Contract No. [illegible]

Operator's Name [illegible] Inc. Minerals [illegible]

Address [illegible], Spokane, Wash.

Contract Amount, $ 44922.00 Government Participation: ____% Amount, $ 22,461.00

Stage III

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	[illegible]	[illegible]	[illegible]	11407.44	4078.56	15,486.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	160.00			160.00	—	160.00
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Ore Sacks 70	[illegible]			24.50	—	24.50
Prior Contract					29252.39	29252.39
$	[illegible]	[illegible]	[illegible]			
TOTALS				11591.94	33,330.95	44922.89

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

Date 10/16/58 *Payee Crandall Mines

Per Kelly Jaspe Title President

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

5795.97
Withheld 1000.00
$ 4795.97

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4795.97

Signature Dorothy F. Lang
(Authorized Certifying Officer)

Date 10/23/58 Vou. No. 2239

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E60 in accordance with the terms of the contract.

Signature /s/ Eric H. Friedson Title Mining Engr. Date 10/21/58

APPROVAL BY ~~DMEA~~ DME EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. L. Weissenborn Title Exec. Officer Date Oct. 23, 1958

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form DEF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July & Aug. 1958 Docket No. ~~DMEA~~ OMA 325 (Zn) Contract No. Stage III Idm-E60

Operator's Name Grandview Mines Inc. Minerals Zn, Pb

Address 310 Radio Central Bldg., Spokane, Wash.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	Ft.	$11,407.44	1639	$15,486.00	2225	$6.96	2225	6.96/ft.
Churn								
Auger								
~~Stripping~~ Assaying	Assay	160.00	160	160.00			160	1.00/ea.
Trenching Sample Sacks	Sack	24.50	70	24.50			70	$0.35/ea.
Test Pits								
Roads and Trails								
Total Distributed Costs		11,591.94		15,670.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 10/16/58 Operator Grandview Mines

Per Karl W. Jeffs Title President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Remarks:

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Narrative Report on Diamond Drilling on Scandia Prospect by Grandview Mines in July and August, 1958. DMEA Docket No. 325, Contract No. IDM-E60, Stage III.

The locations, directions, and lengths of diamond drill holes drilled during July and August follow.

	Collared	Direction	Depth
DDH7	146 ft., S. 75° W. and 90 ft. above DDH6	N. 19° W.,-47°	371 ft.
DDH8	115 ft., S. 15° E., and 47 ft. below DDH9	N. 12°30'W.,-51°	420 ft.
DDH9	247 ft., S. 57° E., and 143 ft. below DDH4	N. 13°W.,-41°	364 ft.
DDH10	177 ft., N. 89° E., and 82 ft. below DDH4	N. 15°W.,-33°	236 ft.
DDH11	199 ft., N. 57° E., and 10 ft. above DDH4	N. 12°W.,-28½°	216 ft.
DDH12	181 ft., N. 75° E., and 39 ft. below DDH9	N. 14 W.,-30°	290 ft.

All drill holes were collared in whitish gray limestone and drilled to the slate contact and a few feet beyond. Within 200 feet of the slate contact all drill holes from DDHI through 12 have encountered a brecciated and recemented zone with darker colored limestone, silicified limestone, dolomite and some zinc mineralization. The alteration and brecciation is generally most intense near the slate contact.

Core recovery was excellent except in some mineralized zones in the last holes drilled where higher grade ZnS core was usually spalled off at the ends of short pieces and presumably lost.

Some mineralization was encountered in all holes drilled during 1958. Only lead and zinc sulfide shines were found in DDH7 and less than 1% ZnS in any section of DDH11 which was near the surface and leached and oxidized.

The best mineralization in holes 5 to 12 was

DDH5	6.1 feet	Pb-0.43%	Zn-6.1%	Ag-0.2 oz
DDH6	10.3 feet		Zn 3.8%	
DDH8	5.2 feet		Zn 2.8%	
DDH9	1.5 feet		Zn 5.7%	
	10.0 feet		Zn 5.9%	
	5.7 feet		Zn 3.6%	
DDH10	6.0 feet		Zn 2.3%	
DDH12	6.0 feet		Zn 2.8%	

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ....., 195..... Docket No. ~~DMEA~~ DMA Contract No. .....
Operator's Name ..... Minerals .....
Address .....
Contract Amount, $ 44,922.00 Government Participation: ..... % Amount, $ 22,461.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Stage III						
(1) Independent / Short Form } Contracts:						
Drilling						
Bulldozing				4078.56	—	4078.56
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Prior Contracts					29252.39	29252.39
TOTALS				4078.56	29252.39	33330.95

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

Date ..... *Payee .....

Per Karl W. Jeppe Title .....

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2039.28

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 7/15/58 Vou. No. 2196

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. R60 in accordance with the terms of the contract.

Signature /s/ Galen G. Waddell Title Mining Engr. Date 7/14/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Wing G. Agnew Title Acting Exec. Date 7-15-58

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

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Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

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Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1958 Docket No. DMEA 325 (Zn) Contract No. Stage III Idm-E60

Operator's Name Grandview Mines Minerals Zn, Pb

Address 310 Radio Central Bldg., Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	$4,078.56	586	$4,078.56	586	$6.96	2225	6.96
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$4,078.56	586	$4,078.56				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 7/10/58 Operator GRANDVIEW MINES

Per Karl W. Jasper Title President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS:

(For Government use only)

/s/ Galen H. Waddell
Mining Engr., 7/14/58

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

Narrative Report on Diamond Drilling on Scandia Prospect by Grandview Mines in June, 1958. DMEA Docket No. 325, Contract No. IDC-E60, Stage III.

Mobilization was begun by Boyles Bros. Drilling Co. on June 9 with two crews and the first drilling began on June 12.

DDH5 was collared in grayish white limestone at 148 feet N. 13° W. and 65 feet above DDH4. It was drilled from elevation 2423 feet at -43° and N. 15° W. to a depth of 206 feet, which was 10 feet beyond the Ledbetter slate contact at 196 feet. The hole was drilled in grayish white limestone, sometimes fractured and recemented, sometimes becoming dark to black and partially silicified and dolomitized, especially from 125 feet to the slate contact at 196 feet. A few coarse honey colored ZnS spots were scattered here and there for the length of the hole. A short highgrade section of lead and zinc sulfides occurred between 105 and 107 feet with lower grade material, just before and beyond the high grade zone for a few feet. Assays have not yet been completed.

DDH6 was drilled at -43° N. 15° W. from a point S. 12° 30' E., 151.5 feet from DDH4. Its collar elevation is 2282 feet. The rocks encountered in the hole were similar to those in DDH5, with what seemed to be a more brecciated, darker partially silicified zone from 230 to 270 and again towards the slate contact, which was cut at 275 feet. From about 260 feet to about 275 feet a zone of low grade ZnS represents the ore zone which so far has generally been within 100 feet of the slate contact.

Two narrow medium basic dikes were encountered in DDH6 and one in DDH5.

Core recovery was from 93% to 94%. Although the limestone has been extensively brecciated, recementing of the breccia has made the zones drilled almost solid and accounts for the good core recovery.

DIAMOND DRILL RECORD

Standpipe —
Casing 3'

Started 6/12/58
Finished 6/16/58
Hole Size AX
Depth 206'
% Core Rec. 93%

Mine Scandia ~~Northport District, N.E. Stevens Co., Washington~~
Location
Logged by Eskil Anderson 6/16/58
Drilled by Boyles Bros. (Herb Duffon, Frank Henderson

Hole No.
Level
Grid
Latitude
Departure
Elevation 2423
Bearing N. 15° W.
Inclination -43°

Depth Feet	Feet Core	Lithologic Description	Sample No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
0-3	3'BX	Soft medium xline grayish white, ls with	698	~~15.7-16.7~~	~~1.0~~	~~1.0~~			
3'-78	71	black and dark gray wavy irregular banding & blotching.		(some oxidation)					
		Some fracturing & recementing with white calcite, especially in short, nearly black sections of core.	699	32.0-33.3 (some oxidation)	1.3	1.3			
			700	59-62	2.7	3.0			
		Few coarse ZnS, and some oxidation from 19' to 62'.		(some oxidation) & leaching, core badly broken for ab 1'					
		Dark gray to black sections of ls with twisted bands or masses of carbonaceous material often fractured & recemented with calcite & ZnS.	833	96-101	5.0	5.0			
			1027	104.4-106.8	2.4	2.4			
78-79.8	1.8	Med. grained, med. basic gray green dike. Fresh except for 1' to 2' portion near center.							
79.8-196	110	Same rock as 3' to 78' becoming more darkened by twisted bands of carbonaceous ls. Also more brecciated & recemented with calcite seams - at times Zn bearing. Oxidation on some ends at about 90'	1028	106.8-110.5	3.7	3.7			
			1029	120.5-123.5	3.0	3.0			
		Good ZnS for about 3' at about 96'. Shines scattered thereafter.	1030	145.8-147.8 (v. slight oxidation)					
		Some pyrite at ab. 105'							
		Sample from ab. 106' to 110'							
		Very good section of PbS & ZnS for 14' between 106 & 108.							
		Blobs & bands of fine grained pyrite or pyrrhotite at 115.5'; ZnS from 121' to 123' and at 127'	1031	170.3-170.8 (Test for Ni)	0.5	0.5			
		From 125' on ls becomes dark from carbonaceous material; brecciated & recemented with white calcite; and somewhat silicified & dolomitized.	1032	169-174 (Some oxidation)	5.0	5.0			
		At 146' ab 2' graphitic slate material.	1033	182.5-185.5	3.0	3.0			

DIAMOND DRILL RECORD

Standpipe ---
Casing 3'

Started 6/12/58
Finished 6/16/58
Hole Size AX
Depth 206'
% Core Rec. 93%

Mine Scandia
Location Northport District, N E Stevens Co., Washington
Logged by Eskil Anderson Date 6/16/58
Drilled by Boyles Bros. (Herb Buffon, Frank Henderson

Hole No.
Level
Grid
Latitude
Departure
Elevation 2423
Bearing N. 15° W.
Inclination -43°

Depth Feet	Feet Core	Lithologic Description	Sample Data No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
		Fair ZnS from 146 to 147 Sparse ZnS, and Zn oxides, 174 to 176. Partly silicified ls with tiny dark gray oval shaped cherty spots in gray ls. Blebs of pyrite or pyrrhotite at 192.5 to 195.							
196-206	6'	Black graphitic slate with scattered pyrite. Slaty cleavage at 90° to hole.							

DIAMOND DRILL RECORD

Standpipe 91
Casing
6/20/58
Started 6/26/58
Finished AX
Hole Size 380'
Depth 94
% Core Rec.

Mine Scandia Northport District., N E Stevens Co., ash.
Location
Eskil Anderson 6/30/58
Logged by Boyles Bros. (Herb Buffon, Frank Henderson
Drilled by

Hole No.
Level
Grid
Latitude
Departure 2282'
Elevation N. 15°
Bearing -43°
Inclination

Depth Feet	Feet Core	Lithologic Description
0-9	2'BX	Whitish gray ls with dark gray wavy distorted banding, occasional short dark gray silicified sections, some graphitic partings. Darker gray sections often brecciated and recemented with white calcite seams. About 1" white qtz & calcite at 59'
9-79.3	68	
79.3-81	0.8	Med. basic dike
81-139.8	55	Same as 9-79.3 Some black silicified sections several feet long.
139.8-141.7	1.9	Med basic gray green dike
141.7-375	219	Same as other ls sections Partially oxidized ZnS shines from 149-158. Sparsely scattered Scattered ZnS shines from 184 to 196. Ls becoming more brecciated & recemented, partially dolomitized from 230. ZnS shines at 237 and from 253 to 260. 260-265 Good section of honey yellow ZnS in dark brecciated ls with white calcite seams. 265-270. Same as 260-265 Dark material partially silicified and some dolomitized. 270-275 Low grade ZnS section Ls whiter & less brecciated after 278 with some darker dolomitized & some silicified short sections both of these becoming more extensive near slate contact with few ZnS shines and more brecciation. Some black and white speckled dolomitic material.
375-380	5'	Black graphitic slate. Bedding at near right angles to direction of hole. Few blobs of pyrite in slate.

Sample No.	Interval	Core Feet	Sple. Feet	Oz. Ag	% Pb	% Zn
~~1034~~	~~184.3-189.3~~	~~5.0~~	~~5.0~~			
1035	189.3-197.9 (Few Zn & Pb Shines)	8.6	8.6			
1036	259.7-265	5.3	5.3			
1037	265-270	5.0	5.0			
1038	270-275	4.7	5.0			

BOYLES BROS.
DRILLING COMPANY

Salt Lake City 4, Utah

I hereby certify that during month of June, 1958 Boyles Bros. Drilling Company, under my supervision, completed 586 feet of diamond drilling on the Scandia Property, Stevens County, Washington on behalf of Grandview Mines, Spokane, Washington.

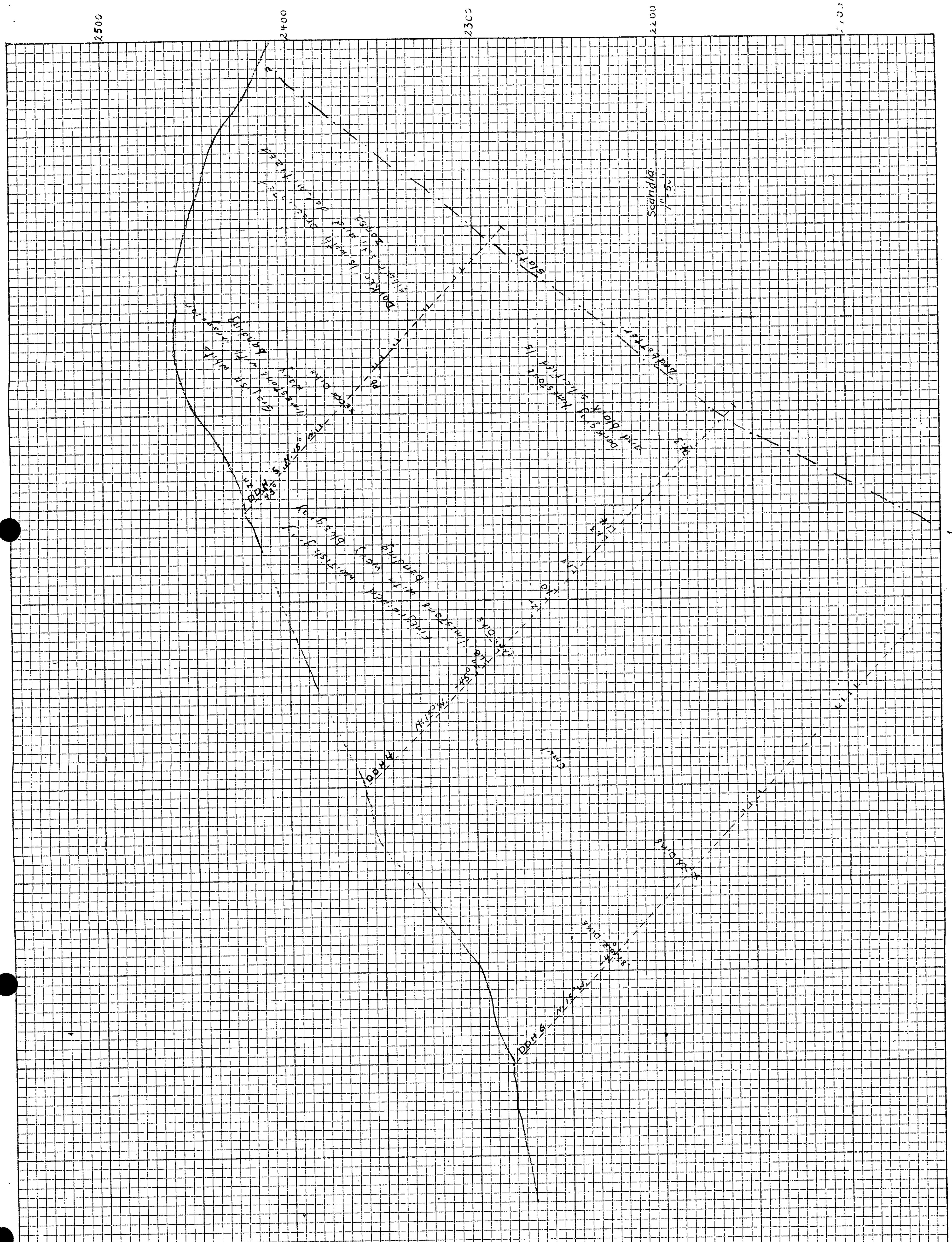
Footages were distributed as follows:

D.D. #5	206 feet
D.D. #6	380 feet
	586 feet

July 9, 1958

Fred Robertson

District Manager, Boyles Bros. Drilling Co.,
Colville, Washington.



K+E 10 X 10 TO THE INCH 359T-5LG
KEUFFEL & ESSER CO. MADE IN U.S.A.
ALBANENE

OFFICIAL FILE COPY
D M E A
RECEIVED JUL 21 1958

DATE	INITIALS	CODE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED NOV 21 1956 D.M.E.A.

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Grandview Mines, Assignee
Spokane, Washington
and
The Scandia Mining Group, Assignors
Theodore, John, Donald, and Effie Nasburg
and Ralph Hallenius, Partners
Spokane, Washington

pertaining to Exploration Project Contract No. Idm-M60, Docket No. DMA 325X, dated July 16, 1951, including Amendments Nos. 1 to 3, inclusive, and Exploration Project Contract No. Idm-M60, Docket No. DMEA 325, dated August 15, 1952, including Amendments Nos. 4 to 8, inclusive, and an assignment of contract dated March 8, 1956 (with an effective date of December 1, 1955) covering a project for the exploration of zinc on property known as the Scandia Mine, located in Stevens County, State of Washington, for the period of July 16, 1951 to October 1, 1956.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) The First Interim Audit Report and Certificate issued by C. A. Turner, DMEA Auditor, dated June 13, 1956, covered the accepted costs of $21,034.39 for the period of July 16, 1951 to June 1, 1956, and
(b) all of the accepted costs for the period of July 1, 1956 to October 1, 1956, $8,218.00, were incurred under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total Cost as billed by Contractor		$29,253.93
Exceptions:		
By DMEA Finance Officer	$1.54	
Herewith	None	1.54
Total Accepted Cost		$29,252.39

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Fourteen thousand six hundred twenty six and 20/100 Dollars

--$14,626.20--

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted, or will accept, the project as having otherwise met the terms of the contract.

C. A. Turner
C. A. Turner, Auditor

November 19, 1956

Schedule of Exceptions

Grandview Mines DMEA 325 Idm-260

Diamond Drilling

Claimed Final Form MF-104	1174 ft. @ $7.00	$8,219.54
Should be	1174 ft. @ $7.00	8,218.00
Disallowed by Finance Officer		$ 1.54

C. A. Turner, Auditor

November 19, 1956

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. 60

Bu. Vou. No. 1903

U. S. _____
(Department, bureau, or establishment)

Voucher prepared at Spokane 11/5/56
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E60

To Grandview Mines, Inc.
(Payee)

310 Radio Central Bldg., Spokane 4, Wash.
(Address) (City) (State)

RECEIVED DEC 10 1956

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Aug. & Sept. 1956	Balance withheld when payment was made on voucher #1897 - 10/22/56				100.	00
		Final Payment					
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 100.00

(Payee must NOT use this space)

Differences _____

Account verified; correct for 100.00

(Signature or initials) M.S.P.

Contract No. Date Req. No. Date Invoice Rec'd.

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____.

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

☆ U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

RECEIVED
OCT 29 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August & September, 1956 Docket No. DMEA 325 Contract No. DM-E60

Operator's Name Grandview Mines Minerals Zn-Pb

Address 310 Radio Central Bldg., Spokane 4, Washington

Contract Amount, $ ~~8,219.54~~ 29260.00 Government Participation: 50 % Amount, $ ~~4,109.77~~ 14630.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	$8,219.54	None	$8,219.54	8218.00	-0-	8218.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Prior Contract					21034.39	21034.39
TOTALS	~~$8,219.54~~	None	$8,219.54	8218.00	21034.39	29252.39

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

Date 10/1/56 *Payee Grandview Mines

Per Karl W. Jeffs Title President

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4009.00

Signature [illegible]
(Authorized Certifying Officer)

Date 10/22/56 Vou. No. 1897
(See other side)

Approved 4109.00
Withheld 100.00
4009.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E60 in accordance with the terms of the contract.

Signature /S/ M R Ruckes Title Mining Engr Date 10/19/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Wing G Agnew Title Acting Exec. Date 10/22/56

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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OCT 29 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August & September 1956 Docket No. DMEA 325 Contract No. I D M-E60

Operator's Name Grandview Mines Minerals Zn-Pb

Address 310 Radio Central Bldg., Spokane 4, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	foot	$8,219.54	1174	$8,219.54	1174	$7.00		
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$ ~~8,219.54~~ 8218.00	1174	$ ~~8,219.54~~ 8218.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc. Prior Contract				21034.39				
TOTAL COSTS		8218.00		29252.39				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 10/1/56 Operator Grandview Mines

Per [signature] Title President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

/s/ M. R. Ricks

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

BOYLES BROS.
DRILLING COMPANY

Salt Lake City 4, Utah

RECEIVED
OCT 29 1956

I hereby certify that during the months of August and September, 1956 Boyles Bros. Drilling Company, under my supervision, completed in excess of 1174 feet of diamond drilling on the Scandia Property, Stevens County, Washington on behalf of Grandview Mines, Spokane, Washington.

Mobilization at the drill site was begun on July 27.

Footages were distributed as follows:

D.D.#1	219.6 feet
D.D.#2	416.0 "
D.D.#3	320.0 "
D.D.#4	284.0 "
	1239.6

September 28, 1956

W. J. Forcier

Foreman, Boyles Bros. Drilling Co.,
Northport, Washington.

Narrative Report on Diamond Drilling of Scandia D.D.Holes #1 to #4, DMEA Docket No. 325, Contract No. IDM-860, July 27, 1956 to September 16, 1956.

Laying of pipeline by Boyles Bros. was begun on July 27 on the Scandia property. About 3000' of pipeline and a very steep slope made the setting up process very slow and actual drilling was begun on Scandia D.D. Hole No. 2 on August 7. D.D.Hole #4 was completed and the project concluded on September 17 after 1239.6 feet of drilling had been done.

The first hole, D.D.#2, was drilled in limestone at -60°, N.30°E. to crosscut the known ore zone at about right angles to its strike as observed in the tunnel and incline (see logs and sketches). Some ZnS mineralization was encountered from about 150 to 400 feet in the hole with the best intersections within about 50' of the contact of the slate and limestone which was crossed at 408'. The hole was stopped in slate at 416'. Best mineralization was encountered at 359.0-364.0 feet with 5.8%Zn; 364-374 feet with 2.4% Zn, and 395.0-400.8 feet with 5.6% Zn. Scattered PbS shines were also observed in some of the core.

Information obtained from D.D.#2 showed that mineralization was not confined to the zone on which the previous work had been done, and, together with surface indications, suggested that the general strike of the formation was probably somewhat to the north of east and the dip southeast. Later holes were therefor drilled in north and northwesterly directions in an attempt to get a more nearly right angled intersection of the ore zones.

D.D.#1, drilled at -60°, N.15°W. from the same location as #2, reached the slate contact at 210 feet, much sooner than expected. A zone of dark colored silicified limestone and brecciated recemented limestone was encountered in this hole the same as in the mineralized part of D.D.#2 but the only mineralization was a few ZnS and pyrite shines. The slate apparently is offset to the south by a fault between #1 and #2.

D.D.#3 was drilled from 137'E. and 82' below #1 & #2 at -45°N. The hole was collared in soft whitish gray limestone with wavy blue gray banding, as were all of the other holes. At about 75' black chert, and darker colored brecciated and recemented limestone was encountered and continued to the slate contact at 315'. The hole was stopped at 320'. ZnS mineralization began at about 90' and occurred in varying concentrations to the slate contact. Best intersections were 11.3% Zn at 95.5 to 100.5; 3.2% Zn at 124 to 131.5; 3.9% Zn at 165 to 169; 2.2% Zn from 183 to 198.7; 3.9% Zn from 205.5 to 213.5 and 5.2% Zinc from 280 to 290 feet.

Single narrow dikes intersected in #2, #3, and #4 probably are not the same.

DD#4 was drilled from 175' east and 98' below #3 at -45°, N.15°W. Formations encountered were the same as in the other holes although the silicified zones were closer to the slate contact which occurred at 276.1 feet. The best mineralization in #4 was 4.3% Zn from 247.3 to 252.3 feet.

Overall results of the drilling indicate that the limestone and slate contact and the general bedding strike at about N.75°-80 E and dip about 60° southeast. The

mineralization exposed in the tunnel and incline appears to occur in the upper part stratigraphically of a partially silicified and recemented brecciated zone perhaps averaging about 100' thick overlying Ledbetter slate. The better mineralization found in the drillholes occurs stratigraphically somewhat below the mineralization exposed in the underground workings, generally within about 50' of the slate contact. Most of the ore intersections in the drillholes were between 200 feet and 300 feet vertically below the ore zones exposed in the tunnel indicating that ore mineralization should occur more or less continuously through that vertical range and that it might be generally associated with a partially silicified limestone zone overlying the slate in that area.

If similar ore intersections can be obtained by additional drilling below and around the drill holes already completed a zinc orebody of substantial tonnage might be found to occur here.

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OCT 29 1956

DMEA Field Team, Region I, NW District October 24, 1956

Certifying Officer, Region I

Docket No. DMEA 325, Contract No. Ida-860, Grandview Mines.
Monthly operating report for August and September 1956.

The subject voucher has been processed and forwarded to the disbursing officer for payment.

A disallowance of $1.54 has been made from the drilling costs claimed by the operator to bring the approved costs to $8,218.00. This is in accordance with the contract which calls for 1174 feet of diamond drilling at $7.00 per foot.

The project work has been completed and this will be the final MF-104 submitted. We are withholding a portion of the Government's contribution to project costs until an audit of the Operator's records can be made by a representative of the Contract Administration and Audit Division, DMEA. This is standard procedure for all contracts. The amount being withheld is $100.00.

Myrtle Purdy

cc: DMEA (2)
USGS (2)
Wash. (2)
AD
MRL

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington

RECEIVED
AUG 13 1956

June 6, 1956

Theodore, John, Donald, and Effie Nasburg, and
Raleigh Hallenius
Scandia Mine
E11805 Maxwell
Spokane 62, Washington

Re: Docket No. DMEA-325 (Zinc)
Scandia Mine
Stevens County, Washington
Amended Contract No. Idm-E60
(Assignee: Grandview Mines)

Gentlemen:

Equipment was purchased under the subject contract in the amount of $232.91 as follows:

1 Sinking bucket (used)	$20.60
250 ft. 5/8 Wire rope	67.13
1 Sheave	15.40
1 80-gallon Tank	129.78

Because the cost of removal and resale would undoubtedly exceed the return from sales, the Government hereby waives its equity in this equipment.

Sincerely,

cc: DMEA (3)
USGS (2)

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I
Northwest District

P.S. Enclosed is Form B that waives the Government's interest in the property listed above.

Government

RECEIVED
AUG 13 1956

WAIVER OF GOVERNMENT'S INTERESTS IN PROPERTY

(FORM B)

1/ To: Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius

E. 11805 Maxwell

Spokane 62, Washington

Operator under Exploration Project Contract Idm-E 60, Docket No. DMEA 325, dated July 16, 1951.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above described contract, hereby waives its interest in all property acquired under that contract (which is listed below:) 2/

1 Sinking bucket (used)
250 ft. 5/8 Wire rope
1 Sheave
1 80-gallon Tank

Dated June 6 195 6

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region I
Northwest District
Title

1/ Insert name of Operator.

2/ If the Government's interest in all property is being waived, strike the words "which is listed below." If the Government is waiving its interest in less than all property, list, in the space provided, the property in which the Government is waiving its interest. If there is insufficient space to list the property, write in the space on the form the words "See Exhibit 1, attached hereto and made a part hereof," and attach list entitled "Exhibit 1" to form.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

RECEIVED
JUL 2 - 1956

Grandview Mines, Assignee
Spokane, Washington
and
The Scandia Mining Group, Assignors
Theodore, John, Donald and Effie Nasburg and
Raleigh Hallenius, Partners
Spokane, Washington

pertaining to Exploration Project Contract No. Idm E-60, Docket No. DMA 325X, dated July 16, 1951, including amendments Nos. 1, 2, and 3, and Exploration Project Contract No. Idm E-60, Docket No. DMEA 325, dated August 15, 1952, including amendments Nos. 4, 5, 6, and 7, and an assignment of contract dated March 8, 1956, (with an effective date of December 1, 1955) covering a project for the exploration of zinc on property known as the Scandia Mine, located in Stevens County, State of Washington, for the period of July 16, 1951 to June 1, 1956.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the Contractor:

Total Cost as billed by Contractor		$ 21,040.46
Exceptions (See Audit Report for details)		
Prior to this audit	$ -0-	
During this audit	6.07	6.07
Total Accepted Cost		$ 21,034.39

The Contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Ten Thousand, Five Hundred, Seventeen and 20/100 Dollars

---- $ 10,517.20 ----

is valid and proper.

This Certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the Contract.

C. A. Turner, Auditor

June 13, 1956

RECEIVED
JUL 2 - 1956

INTERIM AUDIT REPORT

I. INTRODUCTION

During the month of June, 1956, the first interim audit (covering operations for the period of July 16, 1951, to June 1, 1956) was made of the records and transactions pertaining to Exploration Project Contract No. Idm E-60, Docket No. DMA 325X, dated July 16, 1951, including amendments Nos. 1, 2 and 3, and Exploration Project Contract No. Idm E-60, Docket No. DMEA 325, dated August 15, 1952, including amendments Nos. 4, 5, 6 and 7, and assignment of contract dated March 8, 1956 (with an effective date of December 1, 1955)
with the:

Grandview Mines, Assignee
Spokane, Washington
and
The Scandia Mining Group, Assignors
Theodore, John, Donald and Effie Nasburg and
Raleigh Hallenius, Partners
Spokane, Washington

covering a project for the exploration of zinc on property known as the Scandia Mine, located in Stevens County, State of Washington.

The original records under this contract were maintained by and were in the custody of John Nasburg, partner, whose residence is E. 11805 Maxwell Avenue, Spokane 62, Washington.

II GENERAL INFORMATION ON RECORDS

The records pertaining to the Exploration Project Contract consisted of the items of original entry, such as the foreman's pocket time book, payrolls, cancelled pay checks, payroll and industrial insurance reports to the State of Washington and Federal Government, vendors' invoices and cancelled bank checks. While the Operator did not maintain a complete set of books, the items of original entry were sufficient to adequately support the costs claimed. The records were brought in to the Spokane DMEA office for audit.

The Operator's Monthly Report and Voucher Forms MF-104 were made out and signed by John or Donald Nasburg, partners, up to and including July, 1952; those subsequent by Raleigh Hallenius, partner.

III SCOPE OF AUDIT AND FINDINGS

The audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in the "Totals to Date" column of the Operator's Monthly Report and Voucher (Form MF-104) for the

month of September, 1954. A complete and detailed audit and analysis was made of all items of cost.

The audit disclosed a considerable amount of improper distribution of charges to the "Items of Cost" shown on the Form MF-104. Therefore, the audit findings presented below are those resulting after correction of the cost distribution.

(1) Unit Costs

Costs allowed the Operator for work performed on the basis of agreed Estimated Unit Costs of units of work actually performed are as follows:

Sinking Winze	98.5' @ $100.00 per foot	$ 9,850.00
Drifting	101.0' @ $ 35.00 per foot	3,535.00
Accepted Costs		$13,385.00

Footages applicable to unit costs were verified by M. R. Lickes, Mining Engineer and representative of the Field Team.

(2) Labor and Supervision

The basic records for the labor costs consisted of monthly payrolls prepared by John Nasburg, partner, from the pocket time books used in the mine.

During the audit all time books were checked against the payrolls, all of the earnings recomputed, and payments by reference to the cancelled checks.

Labor was charged to the project at the following rates:

Miners	$12.68 to $13.00 per shift
Muckers	$12.68 to $13.00 per shift
Contract Labor	$25.00 per foot for sinking shaft
Bookkeeper	$20.00 per day

Technical services were performed by
C. V. Payne
E. 324 Wellesley Avenue
Spokane 22, Washington

were supported by an invoice dated July 1, 1952, covering a topographical survey of the Scandia Mine.

The acceptable costs were found to be as follows:

Labor - By Partners	$ 2,920.74	
- Hired	778.06	$ 3,698.80
Bookkeeper		20.00
Supervision		-0-
Technical		150.00
Total Accepted Costs		$ 3,868.80

Labor as miners and muckers was performed by several of the partners at rates provided in the contract, which was claimed as a cost of the project. The partners, however, did not accept any pay for the labor performed, but considered it as a part of their contribution to the project cost.

(3) Operating Materials and Supplies

The costs chargeable to this category were determined by a detailed audit and analysis of the vendors' invoices, freight bills, and the cancelled bank checks. The following costs were determined by the audit to be allowable:

Timber	$ 96.17
Explosives	900.52
Pipe and Fittings	46.30
Track	137.93
Fuel Oil and Lube.	645.93
Drill Steel and Bits	277.43
Small Tools and Supplies	55.08
Miscellaneous	83.51
Accepted Costs	$2,243.42

(4) Operating Equipment

The acceptable costs under this category were determined by the audit to be as follows:

Rental		
1 Air Compressor, 105 C.F.M.	1 mo. @ $164.00	$164.00
1 Air Compressor, 210 C.F.M.	1-2/5 Mo. @ $290.	406.04
1 Air Hoist, G-D Model HK	1 mo. @ $73.00	73.00
1 Drifter, Gardner Denver	2-7/30 mo. @ $80.00	179.00
Accepted Costs		$ 822.04

Purchases	
1 Sinking Bucket (Used)	$ 20.00
250' 5/8" Wire Rope	67.13
1 Sheave	15.40
1 80-Gallon Tank	129.78
	$ 232.91

Depreciation

1 Tram Car	3-4/5 mo. @ $15.00	$ 57.00
1 Truck, 1½ Ton	3-4/5 mo. @ $63.00	239.40
1 set Air & Water Hose	3-4/5 mo. @ $12.00	45.60
Accepted Costs		$342.00

The Operator did not maintain a log of the time the equipment was used. However, the various periods for which the charges were made for depreciation were compared with the payroll hours worked, and the charges made appear to be reasonable and in order.

(5) Initial Rehabilitation and Repairs.

This item of cost not applicable to this Contract.

(6) New Buildings, Improvements, Etc.

This item of cost not applicable to this Contract.

(7) Miscellaneous.

The allowable costs in this category were determined by audit of the invoices and cancelled checks or, as in the case of payroll taxes and industrial insurance, by examination of the Operator's tax returns, insurance policies and reports. The acceptable costs, as determined by this audit, are as follows:

Miscellaneous

Repairs to Equipment	$ 45.04
Sampling and Analysis	5.00
Payroll Taxes	32.68
Liability Insurance	37.50
Bookkeeping	40.00
Accepted Costs	$160.22

Repairs to Equipment were determined by the analysis of the vendors' invoices to be:

Reconditioning Drill Steel	$ 24.33
Bucket Repairs	15.30
Miscellaneous	5.41
Total	$ 45.04

Sampling and Analysis covered charges made by the W. H. Stowell Company, W. 421 Sprague Avenue, Spokane for four zinc assays made for the Operator.

Payroll Taxes were computed after a review of the Operator's Federal and State reports, and cancelled bank checks on the hired labor only. Labor of the partners was not included.

Federal and State Reports examined and rates were found to be as follows:

Employer's Quarterly Federal Tax Return Firm No. 91-0581008 Rate F.I.C.A. Taxes for 1951	1.5%
State of Washington Employment Security Department Firm No. 148671.00 Rate Unemployment Insurance	2.7%
Federal Excise Tax Return Rate of 0.3% does not apply as the employer had less than eight employees.	-0-
Total	4.2%

Payroll Taxes (hired labor) $778.06 @ 4.2% $32.68

The audit disclosed that the Operator had failed to claim all of the payroll taxes authorized by the Contract. An addition of $10.43 was added to his claim since this amount was a proper charge under the terms of the Contract.

Liability Insurance was computed after a review of the Operator's report to the State of Washington and cancelled bank checks on the hired labor only. Labor of the partners was not included.

State of Washington
Department of Labor and Industries
Firm No. 174789
Rates

Industrial Insurance	$ .09 per hour
Medical Aid	.035 " "
Total	$ .125 per hour

Computation 300 hours @ $0.125 per hour $37.50

A disallowance of $16.50 was made from the Operator's claim which was the excess of this amount claimed over the amount allowed by the Contract.

Bookkeeping charges were made for two days' services rendered by John Nasburg at $20.00 per day on the Exploration Project records, one day on the payroll and one day was supported by an invoice.

(8) Contingencies

This item of cost not applicable to this Contract.

IV. CONCLUSIONS AND RECOMMENDATIONS

The audit disclosed that all costs charged to this project, with the exception of the disallowances in Category (7) Miscellaneous, industrial insurance amounting to $16.50, but including additions made by the audit to the Operator's claim, Category (7), Miscellaneous, payroll taxes amounting to $10.43, are reasonable and proper under the terms of the Contract.

The adjustments between "Items of Cost" as shown on the September, 1954 Operator's Monthly Report and Voucher Form MF-104, the disallowances, the addition to the Operator's claim, and the accepted costs as disclosed by this audit are summarized in the following audit summary:

AUDIT SUMMARY

	Totals September, 1954 Form MF-104	Corrected Distribution	Disallowed By Audit	Accepted Costs
1. Unit Costs				
Drifting off Winze	$ 3,535.00	$ 3,535.00	$ --	$ 3,535.00
Sinking Winze	9,850.00	9,850.00	--	9,850.00
2. Labor and Supervision				
Labor	3,718.80	3,698.80	--	3,698.80
Supervision	--	--	--	--
Technical	150.00	150.00	--	150.00
3. Operating Materials and Supplies				
Timber	24.23	96.17	--	96.17
Explosives	900.32	900.52	--	900.52
Pipe	--	46.80	--	46.80
Track	--	137.93	--	137.93
Freight	12.56	--	--	--
Power	641.29	--	--	--
Other (Carbide)	154.80	--	--	--
Fuel Oil and Lube.	--	645.98	--	645.98
Drill Steel and Bits	--	277.43	--	277.43
Small Tools and Supplies	--	55.08	--	55.08
Miscellaneous	--	83.51	--	83.51
4. Operating Equipment				
Rental	912.04	822.04	--	822.04
Purchase	632.39	232.91	--	232.91
Depreciation	252.00	342.00	--	352.00
5. Initial Rehabilitation and Repairs	--	--	--	--
6. New Buildings, Improvements, Etc.	--	--	--	--
7. Miscellaneous				
Repairs to Equipment	160.78	45.04	--	45.04
Sampling and Analysis	--	5.00	--	5.00
Payroll Taxes	54.00	22.25	(10.43)	32.68
Liability Insurance	--	54.00	16.50	37.50
Bookkeeping	20.00	40.00	--	40.00
O.A.B.	22.25	--	--	--
8. Contingencies	--	--	--	--
TOTAL	$21,040.46	$21,040.46	$ 6.07	$ 21,034.39

The "Allowable Maximums" under this Contract are as follows:

Original Contract dated July 16, 1951

Labor rates of pay	
Miner	$13.00 per day
Mucker	13.00 per day
Bookkeeper	20.00 per day
Contract Labor, Sinking Shaft	25.00 per foot
Depreciation	
1 Tram Car	$15.00 per month
1 Truck, 1½ Ton	63.00 per month
1 set Air & Water Hose	12.00 per month

Contract dated August 15, 1952

	Allowable Maximum	Accepted Costs	Balance
Unit Costs			
Sinking Winze 100' @ $100.00/ft.	$10,000.00	$ 9,850.00	$ 150.00
Drifting from Winze 200' @ $35.00/ft.	7,000.00	3,535.00	3,465.00
Drifitng from Winze 100' @ $30.00/ft.	3,000.00	----	3,000.00
Equipment Purchased	1,700.00	232.91	1,467.09
Total	$21,700.00	$13,617.91	$8,082.09

At the conclusion of the audit the findings were discussed with Mr. John Nasburg, partner. On the following day the findings were discussed with Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region 1, N.W. District.

C.A. Turner, Auditor

June 13, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 3 - 1956

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Audit Reports
Grandview Mines, Inc.
Idm-E60, DMEA-325X
and
Elmer Enderlin
Idm-E294, DMEA-2213

Dear Mr. Turner:

Receipt is acknowledged of the Washington copies of the above-cited audit reports.

The reports are acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
July 3, 1956

Copy to: Docket (2)
Mr. Chambers (2)
Admr. Reading File

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
AUG 13 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1954 Docket No. DMEA 325 Contract No. I-D-H-E-60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-Ninth Avenue - Spokane, Wash.
Contract Amount, $21,700.00 Government Participation: ____% Amount, $10,850.00

ITEMS OF COSTS*	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting Off mines	$735.00	$2800.00	$3535.00	735.00	2800.00	3535.00
Sinking Mines		9850.00	9850.00		9850.00	9850.00
(2) Labor and Supervision:						
Labor		3718.80	3718.80	[illegible]	3718.80	3698.80
~~Supervision~~ Surveying		150.00	150.00		150.00	150.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23	71.94	24.23	96.17
Explosives		900.32	900.32	.20	900.32	900.52
~~Pipe~~ Freight		12.56	12.56	34.24	12.56	46.80
Track				137.93	—0—	137.93
Power		641.29	641.29	[illegible]	641.29	—0—
Other (~~Carbide~~) Misc.		154.80	154.80	907.20	154.80	1062.00
(4) Operating Equipment:						
Rental		912.04	912.04	[illegible]	912.04	822.04
Purchase		632.39	632.39	[illegible]	632.39	232.91
Depreciation		250.00	250.00	90.00	250.00	340.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78	115.74	160.78	45.04
Sampling and Analysis				5.00	—0—	5.00
Payroll Taxes		54.00	54.00	[illegible]	54.00	32.68
Liability Insurance				37.50		37.50
Bookkeeping		20.00	20.00	20.00	20.00	40.00
O.A.B.		22.25	22.25	22.25	22.25	—0—
(8) Contingencies (specify):						
TOTALS	$735.00	$20,305.46	$21,040.46	728.93	20305.46	21034.39

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

Date Oct. 4, 1954 *Payee Scandia Mining Group

Per Raleigh Hallenius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 364 46

Signature MQP
(Authorized Certifying Officer)

Date 8-8-56 Vou. No. 1836

(See other side)

Attested to audit report

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 60 in accordance with the terms of the contract.

Signature 1st Webster S. Anderson Title Mining Engr Date 10-11-54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st A. E. Weissenborn Title Exec Officer Date 8-7-56

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

2

Form M[illegible]-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1954 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 - Twenty-Ninth Avenue - Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting				$5369.07				
Crosscutting								
~~Raising~~ Drifting off (Winze	Ft.	$735.00	21	3535.00	101	$35.00		
Shafts				1654.00				
Winzes	Ft.			9850.00	98½	100.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$735.00	21	$20,408.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$735.00		$21,040.46				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 4, 1954 Operator Scandia Mining Group

Per Raleigh Hellenius Title Partner

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

RECEIVED
AUG 13 1956

NARRATIVE OF SCANDIA PROJECT

October 4, 1954

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

During September we continued the drift in a Southeasterly direction for 21 feet. The formation continued about the same as the previous 50 feet. We cross cut several fairly large stringers of zinc which were at right angle to the drift. The zinc content was quite encouraging the entire distance to the face.

21' at $35.00 per foot - - - - - - - - - - - Total $735.00

SCANDIA MINING GROUP
E. 32 Twenty-Ninth Avenue
Spokane, Washington

Raleigh Hollenius
Partner

FORM 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

DATE 9/21/54

REFERRED TO: Mr. Jay L. Chambers

1.
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

9/28 MF-1044 given to Bess Mitchell

REMARKS: Payment is being held up on this MF-1044 as the Operator has suspended operations and his plans for completion of the work are indefinite at this time.

Check (X) before the items needing attention.

This was add. to Mr Chambers so that's reason for sending it to you cc

Myrtle Purdy
Initials of sender.

GPO 16—51162-1

Form MF-104 (Rev.) (April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3. Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1954 Docket No. DMEA 325 Contract No. I 3 3 60
Operator's Name Scandia Mining Group Minerals Zinc
Address 4. 32 Twenty-ninth Avenue-Spokane, Wash.
Contract Amount, $21,700.00 Government Participation: 50 % Amount, $ 10,850.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting off Zinze	1995.00	805.00	2800.00	1995.00	805.00	2800.00
Sinking Zinze		9850.00	9850.00		9850.00	9850.00
(2) Labor and Supervision:						
Labor		3718.80	3718.80		3718.80	3718.80
~~Supervision~~ Surveying		150.00	150.00		150.00	150.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23		24.23	24.23
Explosives		900.32	900.32		900.32	900.32
~~Expl.~~ Freight		12.56	12.56		12.56	12.56
Track						
Power		641.29	641.29		641.29	641.29
Other (Carbide)		154.80	154.80		154.80	154.80
(4) Operating Equipment:						
Rental		912.04	912.04		912.04	912.04
Purchase		632.39	632.39		632.39	632.39
Depreciation		250.00	250.00		250.00	250.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78		160.78	160.78
Sampling and Analysis						
Payroll Taxes		54.00	54.00		54.00	54.00
Liability Insurance						
Bookkeeping		20.00	20.00		20.00	20.00
O.A.B.		22.25	22.25		22.25	22.25
(8) Contingencies (specify):						
TOTALS	1995.00	18,310.46	20,305.46	1995.00	18,310.46	20,305.46

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

Date 9-2-54 *Payee Scandia Mining Group

Per Raleigh Hallenius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 997.50

Signature MLP (Authorized Certifying Officer)

Date 10/27/54 Vou. No. 1328

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 60 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr. Date 9/13/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Goldoft Title Mining Engr Date 10/19/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

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Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1954 Docket No. DMEA 325 Contract No. I-[illegible]-60
Operator's Name Scandia Mining Group Minerals Zinc
Address S. 32 Twenty-ninth Avenue-Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				$ 5359.07				
Crosscutting								
~~Raising~~ Drifting off Winze	Ft.	$1995.00	57	2600.00	80	33.00		
Shafts				1654.00				
Winzes	Ft.			9850.00	98½	100.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1995.00	57	$19,673.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1995.00		$20,305.46				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9-2-54 Operator Scandia Mining Group

Per Raleigh Hallerius Title Partner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

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OCT 29 1954

NARRATIVE OF SCANDIA PROJECT

September 2, 1954

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

During August we drifted from the bottom of the winze in a Northwesterly direction following a small stringer of zinc for about 30 feet until we encountered slate. We then drifted in a Southeasterly direction from the winze for about 50 feet making a total of 80 feet. Since going in the Southeasterly direction we have found Calcite, Sphalerite and Smithsonite. The zinc shows in small stringers. The rock is not so dark and looks much more favorable for ore than it did in the Northwest.

57' at $35.00 per foot - - - - - - Total $1995.00

SCANDIA MINING GROUP
E. 32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hellewin
Partner

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1954 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Wash.
Contract Amount, $21,700.00 Government Participation: 50% Amount, $10,850.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting	$805.00	None	$805.00	805.00	-0-	805.00
Sinking Winze	None	$9850.00	9850.00		9850.00	9850.00
(2) Labor and Supervision:						
Labor		3718.80	3718.80		3718.80	3718.80
~~Exploration~~ Surveying		150.00	150.00		150.00	150.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23		24.23	24.23
Explosives		900.32	900.32		900.32	900.32
~~xxxx~~ Freight		12.56	12.56		12.56	12.56
Track						
Power		641.29	641.29		641.29	641.29
Other (Carbide)		154.80	154.80		154.80	154.80
(4) Operating Equipment:						
Rental		912.04	912.04		912.04	912.04
Purchase		632.39	632.39		632.39	632.39
Depreciation		250.00	250.00		250.00	250.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78		160.78	160.78
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00	54.00		54.00	54.00
Bookkeeping		20.00	20.00		20.00	20.00
O.A.B.		22.25	22.25		22.25	22.25
(8) Contingencies (specify):						
TOTALS	$805.00	$17,505.46	$18,310.46	805.00	17505.46	18310.46

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

Date 8/5/54 *Payee Scandia Mining Group

Raleigh Hellerius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 402.50

Signature MOP
(Authorized Certifying Officer)

Date 8/25/54 Vou. No. 1254
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E60 in accordance with the terms of the contract.

Signature /s/ Webster S. Anderson Title Mining Engr. Date 8/17/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W. Zoldok Title Mining Engr. Date 8/18/54

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting				$5369.07				
Crosscutting								
~~Raising~~ Drifting off winze	Ft.	$805.00	23	805.00	23	$ 35.00		
Shafts				1654.00				
Winzes	Ft.			9850.00	98½	100.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$805.00	23	$17,678.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$805.00		$18,310.46				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8/5/54 Operator Scandia Mining Group

Per Raleigh Hollenine Title Partner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc.". The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

NARRATIVE OF SCANDIA PROJECT

August 5, 1954

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

On the 23rd of June we got started cleaning the road out, draining the winze and getting the necessary equipment required for drifting off the winze. We did not get set up to do any drifting during June.

During July we get the drift started. We crosscut three feet to set in the station and drifted twenty feet to the west. There was some zinc sulphide stringers in grey limestone. The stringers are in line with the zinc vein in the upper drift. Some samples were taken but not assayed.

23' at $35.00 per foot - - - - - - Total $805.00

SCANDIA MINING GROUP
E.32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hallenius
Partner

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Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Washington
Contract Amount, $21,700.00 Government Participation: 50 % Amount, $10,850.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Sinking Winze	$650.00	$9200.00	$9850.00	650.00	9200.00	9850.00
(2) Labor and Supervision:						
Labor		3718.80	3718.80			
~~Supervision~~ Surveying		150.00	150.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23			
Explosives		900.32	900.32			
~~Exp~~ Freight		12.56	12.56			
Track						
Power		641.29	641.29			
Other (Carbide)		154.80	154.80			
(4) Operating Equipment:						
Rental		912.04	912.04			
Purchase		632.39	632.39			
Depreciation		252.00	252.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00	54.00			
Bookkeeping		20.00	20.00			
O.A.B.		22.25	22.25			
(8) Contingencies (specify):						
TOTALS	$650.00	$16,855.46	$17,505.46	650.00	16,855.46	17,505.46

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

Date 11/4/53 *Payee Scandia Mining Group

Per Raleigh Hallenisch Title Partner

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

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 325 00

Signature MLP
(Authorized Certifying Officer)

Date 8/25/54 Vou. No. 1254
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 60 in accordance with the terms of the contract.

Signature /s/ Webster S Anderson Title Mining Engr Date 11/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 11/5/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

3

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 225 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				$5369.07				
Crosscutting								
Raising								
Shafts				1654.00				
Winzes	Ft.	$650.00	6½	9850.00	98½	$100.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$650.00	6½	$16,873.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$650.00		$17,505.46				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 11/4/53 Operator Scandia Mining Group

Per Raleigh Hellerice Title Partner

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

3

NARRATIVE OF SCANDIA PROJECT

November 4, 1953

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

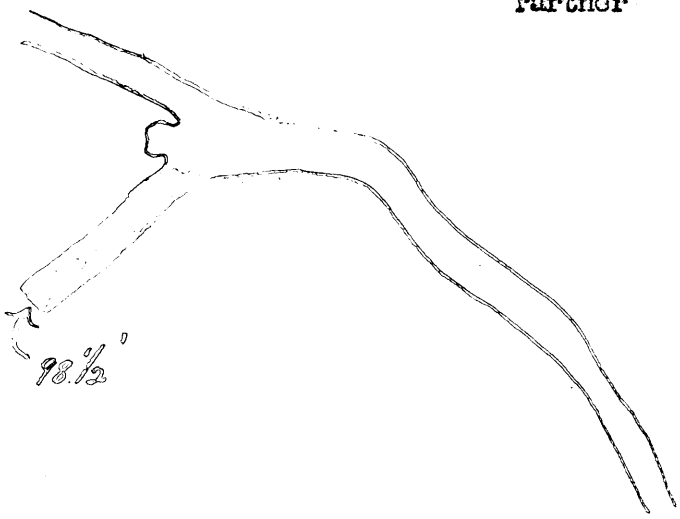
In October we advanced the winze 6½ feet making a total of 98½ feet to date. Due to the heavy rains, it was impossible to haul supplies up to the mine therefore we had to shut it down for the winter months. Encouraging showings of zinc and lead continued to the bottom of the winze.

Some assays were taken but, to date, the assay reports have not been received so they are not available for this report.

6½' at $100.00 per foot - - - - - - - - Total $650.00

SCANDIA MINING GROUP
E. 32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hellewell
Partner



Form MF-104 (Rev.)
(April 1952)

Nashburg

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 19 1953

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Wash.
Contract Amount, $ 21,700.00 Government Participation: 50 % Amount, $ 10,850.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Sinking Winze	$2200.00	$7000.00	$9200.00			
(2) Labor and Supervision:						
Labor		3718.80	3718.80			
~~Supervision~~ Surveying		150.00	150.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23			
Explosives		900.32	900.32			
~~Etc.~~ Freight		12.56	12.56			
Track						
Power		641.29	641.29			
Other (Carbide)		154.80	154.80			
(4) Operating Equipment:						
Rental		912.04	912.04			
Purchase		632.39	632.39			
Depreciation		252.00	252.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00	54.00			
Bookkeeping		20.00	20.00			
O.A.B.		22.25	22.25			
(8) Contingencies (specify):						
TOTALS	$2200.00	$14,655.46	$16,855.46			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 10/1/53 *Payee Scandia Mining Group
Per Raleigh Hellenius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1100.00

Signature [illegible]
(Authorized Certifying Officer)

Date 10/6/63 Vou. No. 933
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E60 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 10/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 10/5/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
OCT 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting				$5369.07				
Crosscutting								
Raising								
Shafts				1654.00				
Winzes	Ft.	$2200.00	22	9200.00	92	$100.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2200.00	22	$16,223.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2200.00		$16,855.46				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 10/1/53 Operator Scandia Mining Group

Per Raleigh Hellenius Title Partner

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

NARRATIVE OF SCANDIA PROJECT

October 1, 1953

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

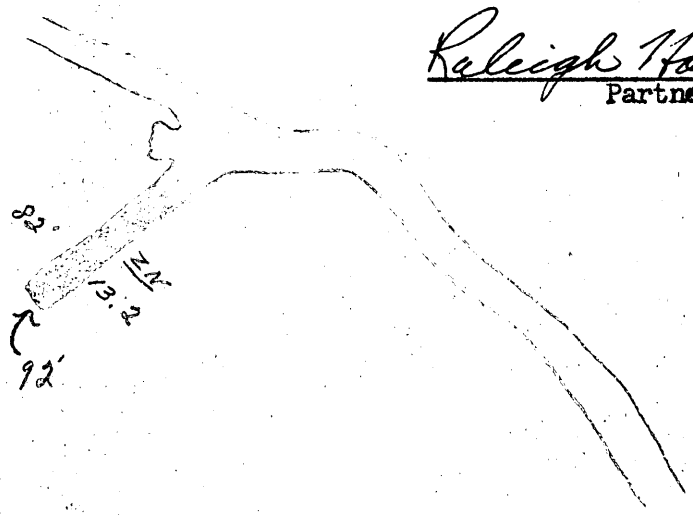
During the month of September the winze was advanced 22 feet making a total of 92 feet to date. Mineralization hasshown very encouraging the entire distance. An assay sample was taken across the face of the hanging wall at a 82 foot point which was assayed for zinc and lead. It showed 13.2% zinc and no lead. The mineralization has continued on from this point to the 92 foot point.

Copy of the assay report is attached.

22' at $100.00 per foot - - - - - - Total $2,200.00

SCANDIA MINING GROUP
E. 32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hallenius
Partner



Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Nasburg

Month of August, 1953 Docket No. DMEA 325 Contract No. I D E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Wash.
Contract Amount, $ 21,700.00 Government Participation: 50 % Amount, $ 10,850.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Sinking Zinze	$3000.00	$4000.00	$7000.00	3000.00	4000.00	7000.00
(2) Labor and Supervision:						
Labor		3718.80	3718.80		3718.80	3718.80
~~Supervision~~ Surveying		150.00	150.00		150.00	150.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23		24.23	24.23
Explosives		900.32	900.32		900.32	900.32
~~Pipe~~ Freight		12.56	12.56		12.56	12.56
Track						
Power		641.29	641.29		641.29	641.29
Other (Carbide)		154.80	154.80		154.80	154.80
(4) Operating Equipment:						
Rental		912.04	912.04		912.04	912.04
Purchase		632.39	632.39		632.39	632.39
Depreciation		252.00	252.00		252.00	252.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78		160.78	160.78
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00	54.00		54.00	54.00
Bookkeeping		20.00	20.00		20.00	20.00
O.A.B.		22.25	22.25		22.25	22.25
(8) Contingencies (specify):						
TOTALS	$3000.00	$11,655.46	$14,655.46	3000.00	11,655.46	14,655.46

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/1/53 *Payee Scandia Mining Group
Per Raleigh Hollenius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1500.00

Signature [illegible] (Authorized Certifying Officer)

Date 9/4/53 Vou. No. 896
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E60 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 9/4/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 9/4/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

3

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 325 Contract No. I D M 60
Operator's Name Scandia Mining Group Minerals Zinc
Address N. 22 Twenty-ninth Avenue - Spokane, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting				$5369.07				
Crosscutting								
Raising								
Shafts				1654.00				
Winzes	Ft.	$3000.00	30	7000.00	70	$7000.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$3000.00	30	$14,023.07				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$3000.00		$14,655.46				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9/1/53 Operator Scandia Mining Group

Per Raleigh Hallenius Title Partner

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

NARRATIVE OF SCANDIA PROJECT

September 1, 1953

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

During the month of August the winze was advanced from 40 to 70 feet making a total of 30 feet advanced. The incline of the winze has continued on as it was at the beginning. Due to the ore body being somewhat irregular the winze has not been entirely in ore the continuous distance as shown in the assays listed below, however good ore was again encountered at the 65 foot point and at the 70 foot point the ore appears better than ever, in fact, at this point a good part of the winze appears to be in good ore. The samples taken at this point appear to again carry good values in zinc and also lead. As you will note there are only three assay reports for this period. This is due to the fact that some of the assays have not been received from the assay office.

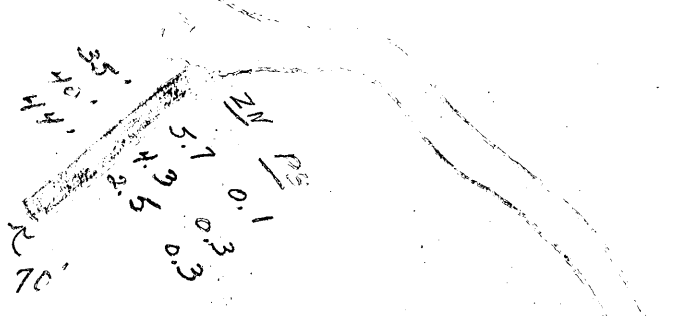
	Zinc	Lead
35 Ft.	5.7	0.1
40 Ft.	4.3	0.3
44 Ft.	2.5	0.3

*Those assay figures are shown on the sketch of the winze.

30' at $100.00 per foot - - - - - - - - - - - - - -Total $3,000.00

SCANDIA MINING GROUP
E. 32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hallenius
Partner



*These assays were obtained from grab samples taken from each skip bucket as it was hoisted up from the winze.

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Form MF-1[illegible] (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 195 3 Docket No. DMEA [illegible] Contract No. I D [illegible] E 60
Operator's Name Seattle Mining Group Minerals Zinc
Address [illegible] - Spokane, [illegible]
Contract Amount, $[illegible] Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Sinking [illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor		[illegible]	[illegible]			
Supervision		[illegible]	[illegible]			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		[illegible]	[illegible]			
Explosives		[illegible]	[illegible]			
Pipe [illegible]		[illegible]	[illegible]			
Track						
Power		[illegible]	[illegible]			
Other [illegible]		[illegible]	[illegible]			
(4) Operating Equipment:						
Rental		[illegible]	[illegible]			
Purchase	[illegible]	[illegible]	[illegible]			
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		160.78	160.78			
Sampling and Analysis						
Payroll Taxes		[illegible]	[illegible]			
Liability Insurance		[illegible]	[illegible]			
Bookkeeping		[illegible]	[illegible]			
C.A.P.		[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]	2712.31	8943.15	11,655.46

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

Date 8/3/53 *Payee Seattle Mining Group

Per Raleigh Hallenius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1356 16

Signature [illegible]
(Authorized Certifying Officer)

Date 8/10/53 Vou. No. 860
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 60 in accordance with the terms of the contract.

Signature S/ W. S. Anderson Title M. Eng. Date 8/4/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ P. E. Howard Title M. Eng. Date 8/4/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

3

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 325 Contract No. I D M E 60
Operator's Name Seattle Mining Group Minerals Zinc
Address R. 32 Gold-Mine Avenue - Spokane, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes	[illegible]	[illegible]	25	[illegible]	40	[illegible]		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		[illegible]	25	[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		[illegible]		$ 632.39				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2712.31		$1632.39				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8/3/53 Operator Seattle Mining Group

Per Raleigh Hallenicus Title Partner

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

NARRATIVE OF SCANDIA PROJECT

August 3, 1953

DOCKET NO: DMSA 325

COMMODITY: Zinc

CONTRACT NO: IDME 60

During the month of July we advanced the winze 25' making a total of 40' to date. Continuing on the same incline as originally laid out we have been in good ore the entire distance, in fact, the ore body seems to be increasing in size and the average metal content is improving with depth. The assay samples taken are as follows:

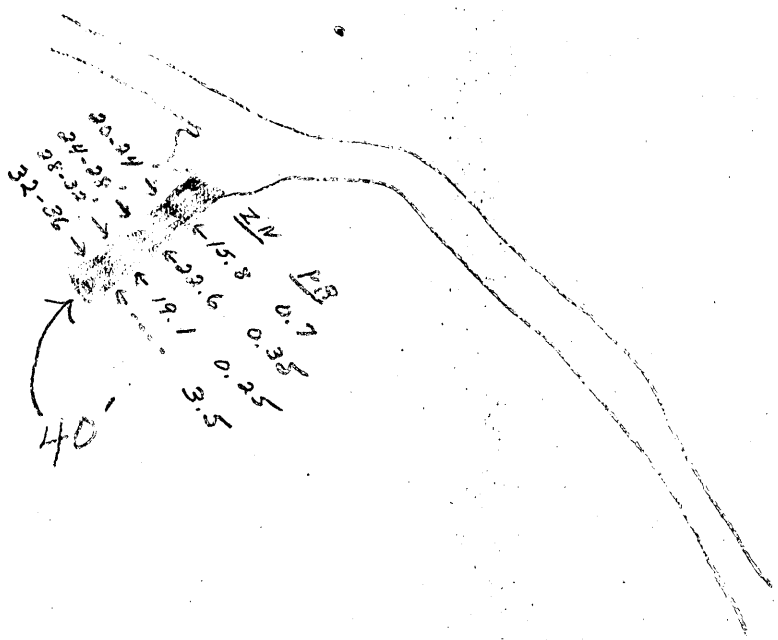
	Zinc	Lead	Silver
20 to 24'	15.8	0.7	
24 to 28'	22.6	0.35	
28 to 32'	19.1	0.25	
32 to 36'	----	3.5	0

These assay figures are shown on the sketch of the winze.

25' at $100.00 per foot - - - - - - - - - - - Total $2,500.00

SCANDIA MINING GROUP
E. 32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hallenius
Partner



NOTE: The samples taken at the 32 to 36' depth were not assayed for zinc but for silver and lead only.

Form M-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R026.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 325 Contract No. 1 D M E 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-Ninth Avenue - Spokane, Wash.
Contract Amount, $21,700.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Sinking Winze	$1500.00	None	$1500.00	1500.00		1500.00
(2) Labor and Supervision:						
Labor					3718.80	3718.80
Supervision Surveying					150.00	150.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber					24.23	24.23
Explosives					900.32	900.32
Pipe freight					12.56	12.56
Track						
Power					644.99	644.99
[illegible]					1564.80	1564.80
(4) Operating Equipment:						
Rental					912.04	912.04
Purchase					420.08	420.08
Depreciation					252.00	252.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment					160.78	160.78
Sampling and Analysis						
Payroll Taxes						
Liability Insurance					54.00	54.00
[illegible]					20.00	[illegible]
[illegible]					22.25	22.25
(8) Contingencies (specify):						
TOTALS	$1500.00	None	$1500.00	1500.00	7944.15	7944.15

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

Date July 3, 1953 *Payee Scandia Mining Group

Per Raleigh Hallerius Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 750.00

Signature [illegible]
(Authorized Certifying Officer)

Date 7/10/53 Vou. No. 823
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 60 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 7/9/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 7/9/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

3

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Bureau Mines
RECEIVED
JUL 20 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 3 Docket No. DMEA 325 Contract No. 2 D R 60
Operator's Name Scandia Mining Group Minerals Zinc
Address E. 32 Twenty-ninth Avenue - Spokane, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes	Ft.	$1500.00	15	$1500.00	15	$1500.00		
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1500.00	15	$1500.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date July 3, 1953 Operator Scandia Mining Group

Per Raleigh Hallenius Title Partner

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

NARRATIVE OF SCANDIA PROJECT

July 3, 1953

DOCKET NO: DMEA 325

COMMODITY: Zinc

CONTRACT NO: 1 DME60

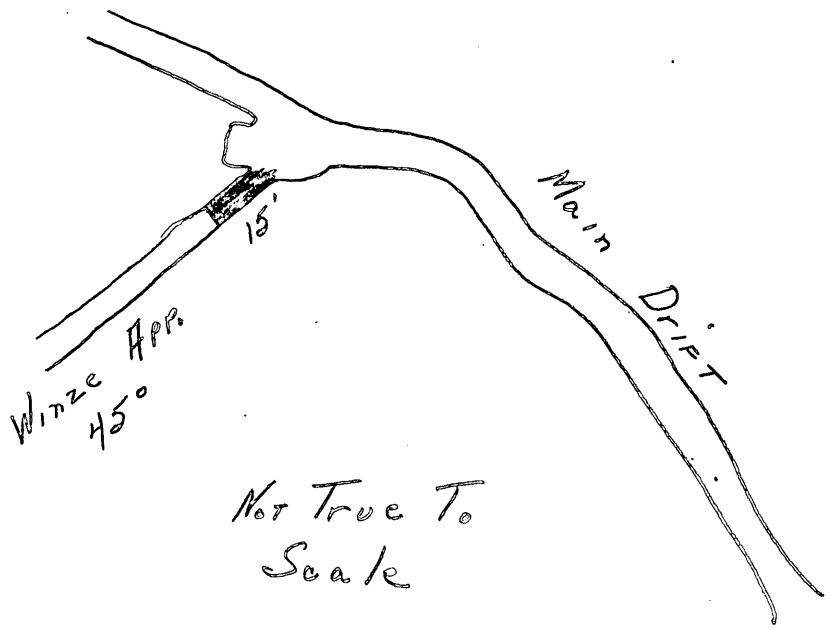
Started sinking winze in the Scandia project (as outlined by the U. S. Bureau of Mines and the U. S. Geological Survey) on June 22, 1953 and have advanced 15 feet on approximately 45 °. Have good zinc on the left and hanging wall and on the right side of the winze.

An assay sample was taken across the face of the hanging wall at a depth of 13 feet which ran 10.71 zinc and 0.5 lead.

15 Feet at $100.00 per foot - - - - - - - Total $1500.00

SCANDIA MINING GROUP
E. 32 Twenty-ninth Avenue
Spokane, Washington

Raleigh Hallenius
Partner



Form [illegible]-104 (Rev.) [illegible] 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 325x Contract No. 60

Operator's Name Scandia Mining Group Minerals Zinc

Address 32 E. 29 th, Ave, Spokane, Wash.

Contract Amount, $ Government Participation: 50% Amount, $ 7,560.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	332.00	3386.80	3718.80			
Supervision xxxxxx Surveying		150.00	150.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23	24.23			
Explosives	65.65	834.67	900.32			
Pipe xxx Freight		12.56	12.56			
Track		*	*			
Power	103.35	537.94	641.29			
**Other Carbide		154.80	154.80			
(4) Operating Equipment:						
Rental ***	36.00	912.04	948.04	-0-	912.04	912.04
Purchase		420.08	420.08			
Depreciation		270.00	270.00	36.00	216.00	252.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	37.57	123.21	160.78			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00	54.00			
		20.00	20.00			
		22.25	22.25			
(8) Contingencies (specify):						
TOTALS	574.57	6922.58	7497.15	574.57	6868.58	7443.15

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

Date 1-25-53 *Payee Scandia Mining Group

Per John Mulburg Title President

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 287.29

Signature [illegible]
(Authorized Certifying Officer)

Date 1/30/53 Vou. No. 641
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 60 in accordance with the terms of the contract.

Signature /s/ Webster S. Anderson Title Mining Engr Date 1/26/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr Date 1/26/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form M[illegible]-104A
(April 19[illegible])

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 2 Docket No. DMEA 325x Contract No. 60
Operator's Name Scandia Mining Group Minerals Zinc
Address 32 E 29 th, Ave, Spokane, Wash

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft	574.57	23	5843.15	208	28.09		
Crosscutting								
Raising								
Shafts	Ft	0	0	1654.00	22.5	73.51		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		574.67	23	7497.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 1-23-53 Operator Scandia Mining Group

Per John Nusberg Title Partner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

Activities ---July 1952 Scandia Mining Group

From where we left off in June, we continued drifting on the vein in a westerly direction for 23 feet, which completed our present development contract.

The vein followed was very well defined and widened to as much as 30 inches, assay taken of it showed 20.1 %zinc and .5% lead. It ran diagonally accross the drift, pitching in a southernly direction. It is much wider in the bottom.

We believe the results from this exploration program have been satisfactory and that further exploration of the vein at the bottom of the drift at the best showing will prove a large ore body.

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No.
Bu. Vou. No. DMA-385

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 9/18/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. DMA 325X 60

To Scandia Mining Group,
(Payee)

32 E. 29th Ave., Spokane, Washington
(Address) (City) (State)

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June Supplement 1952	As per attached certified form MF-104 dated August 21, 1952				465	00
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 465 00

(Payee must NOT use this space)
Differences
Account verified; correct for 465 00
(Signature or initials)

Contract No. DMA 325X 60 Date Req. No. Date Invoice Rec'd.

465.00

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	465.00	465.00

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... / Cash, $....., on ....., 19..... } on Treasurer of the United States in favor of payee named above.

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June Supplement 1952 Docket No. DMEA 60 Contract No. 325X
Operator's Name Scandia Mining Group Minerals Zinc
Address 32 E 29th Ave., Spokane, Wash
Contract Amount, $ Government Participation: 50% Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	930.00	2456.80	3386.80	930.00		
Supervision Surveying		150.00	150.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		24.23				
Explosives		834.67				
Pipe others freight		12.56				
Track						
Carbide others		154.80				
Power		537.94				
(4) Operating Equipment:						
Rental		912.04				
Purchase		420.08				
Depreciation		216.00				
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		123.21				
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00				
Bookkeeping		20.00				
O.A.B.		22.25				
(8) Contingencies (specify):						
TOTALS	930.00	5938.58	6868.58	930.00	5938.58	6868.58

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8-31-52 *Payee Scandia Mining Group
Per Donald Wesberg Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 465.00

Signature Wes K
(Authorized Certifying Officer)

Date 9/17/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-60 in accordance with the terms of the contract.

Signature Eric G. Erickson Title Mining Engr. Date 8-22-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr Date 8/22/52

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Time sheet for Johen Nasburg for the month of June 1952
Scandia Mining Group, Northport, Washington

June 3, 1952	8 hr	June 18, 1952	7 hr
4	8 "	19	4 "
5	8 "	20	9 "
6	8 "	21	3 "
7	5 "	22	- - - -
8	8 "	23	5 "
9	10 "	24	11 "
10	8 "	25	10 "
11	9 "	26	4 "
12	9 "	27	- - - - -
13	9 "	28	8 "
14	8 "	29	- - -
15	9 "	30	5 "
16	9 "	31	- - - -
17	9 "	Total hours	191

191 hrs @ $1.62½ - - - 310.00

Amount of wages paid at current local wage scale for this area.

Theodore Nasburg - - -	191 hrs	@ $1.77 - -	338.07
Raleigh Hallenius - -	191 "	@ $1.77 - -	338.07
John Nasburg - - - - -	191 "	@ $1.57 - -	299.87
		Total payroll	976.01

This is a certified true copy of the time book for the month of June, 1952.

Donald Nasburg
Donald Nasburg Partner
Scandia Mining Group
Northport, Washington

Amount of Wages Claimed:

Theodore Nasburg - - - -	191 hrs	@ $1.62½ - - -	$310.00
Raleigh Hallenius - - - -	191 hrs	@ $1.62½ - - -	$310.00
John Nasburg - - - - - -	191 hrs	@ $1.62½ - - -	$310.00
		Total wages	$930.00

REC[illegible] OF PAYROLL

RECAP OF JUNE PAYROLL

NAME	HRS WORKED	OVERTIME	ST. TIME	O.T.	TOTAL WAGES
Theo. Nasburg	191	- - - - -	191	- - -	$310.00
Raleigh Hallenius	191	- - - - -	191	- - - - - -	$310.00
John Nasburg	191	- - - - -	191	- - - -	$310.00
				Total Wages	$930.00

DEDUCTIONS	NET WAGES
- - - - -	$310.00
- - - - -	$310000
- - - - - -	$310.00
Total Wages	$930.00

Donald Nasburg
President

Donald Nasburg
Scandia Mining Group
Northport, Washington

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. FAA-318

U. S. Interior, Mines (Department, bureau, or establishment)

Voucher prepared at Albany, Oregon (Give place and date) 8/7/52

THE UNITED STATES, Dr., Payee's Account No. 80

To Scantla Mining Group, (Payee)

32 E. 29th, (Address) Spokane, (City) Washington (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1952	As per attached certified form MF-104 dated July 5, 1952				494	85
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	494	85

(Payee must NOT use this space)

Differences .....

Account verified; correct for 494 85

(Signature or initials) .....

Contract No. 60 Date Req. No. Date Invoice Rec'd.

494.85

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
AUG 25 1952

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
11X4401	Revolving Fund, Defense Production Act, Interior	494.85	494.85

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
AUG 25 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952 Docket No. DMEA 325 X Contract No. 60
Operator's Name Theo. John, Donald, Effie, Nasburg Raleigh Hallenius Minerals Zinc
Address 32 E. 29 Th, Ave Spokane, Washington
Contract Amount, $ 7560.00 Government Participation: 50 % Amount, $ 3780.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Contract work						
(2) Labor and Supervision:						
Labor	977.01	2456.80	3433.81	—	562.50 1894.30	2456.80
Supervision Surveying	150.00		150.00	150.00		150.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	24.23		24.23	24.23		24.23
Explosives	352.21	482.46	834.67	352.21	482.46	834.67
~~Rox~~ other (Freight)		12.56	12.56		12.56	12.56
Track			1/			
**Carbide Other	5.21	149.59	154.80	5.21	149.59	154.80
Power	273.97	264.16	538.13	273.78	264.16	537.94
(4) Operating Equipment:						
Rental		912.04	912.04		912.04	912.04
Purchase		420.08	420.08		420.08	420.08
Depreciation	90.00	180.00	270.00	90.00	126.00	216.00
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	74.26	48.95	123.21	74.26	48.95	123.21
Sampling and Analysis						
Payroll Taxes						
Liability Insurance		54.00	54.00		54.00	54.00
Bookkeeping	20.00		20.00	20.00		20.00
O. A. B.		22.25	22.25		22.25	22.25
(8) Contingencies (specify):						
TOTALS	1966.89	5002.89	6969.78	989.69	4948.89	5938.58

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 5 1952 *Payee Scandia Mining Group John Nasburg
Per _____ Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
MP
$ 494.85
Signature W R L (Authorized Certifying Officer)
Date 8/6/52 Vou. No. _____
(See other side)

1/ Prevously included under operating Equipment purchased 420.08 Included in Equipment Purchased
** Others A frame material used for shaft.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 60 in accordance with the terms of the contract.

Signature Elmer A. Mogill Title Mining Eng. Date July 9, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn A. Reed Title Mng. Eng. Date 7/9

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 2 Docket No. DMEA [illegible] Contract No. 40
Operator's Name Chas. John Donald Effie Nesburg, Hellelius Minerals Zinc
Address 32 E 29th, Ave Spokane, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft	1960.89	60	8315.78	185	28.72		
Crosscutting								
Raising								
Shafts	Ft	0	0	1654.00	22.5	73.51		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1960.89		9969.78				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Scandia Mining Group

Date July 5 1952 Operator John Nasburg

Per _____ Title Partner

REMARKS:

→ **NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.**

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

June 1952

Item	Date	Labor Exp. Labor	Exp. Surveying	Essential Lbr.	Sup. Explosives	Operating Eq. Carbide	Misc. Power	Dep	Misc.
Payroll	June	977.01							Hooking repair
Surveying									
G. V. Payne	5/1		150.00						
Avey Lbr. Co.	5/20			24.23					
M. L. Lee Co	6/21				352.21				
M. L. Lee Co.	6/12					4.54			
Kendrick Aero.	6/9					.57			
Tidewater Oil Co.	5/20						117.39		
Tidewater Oil Co.	6/17						141.91		
Signal oil Co.	5/10						4.79		
Shell Oil Co.	5/5						4.94		
Shell Oil Co.	6/16						4.94		
Dep Schedule	June							90.00	
Copco Pac. Ltd.	6/26								9.01
Copco Pac. Ltd.	6/20								65.25
John Nesburg	June								
Bookkeeping									20.00
		977.01	150.00	24.23	352.21	5.31	273.97	90.00	94.26

ACTIVITIES --- June 1952 Scandia Mining Group

Spring rain hampered early starting of operations at the mine; however, by the middle of May work was started in converting the existing 18-inch track to 24-inch gage, to accomodate the recently acquired loader. A few projecting points in the drift had to be slabbed off to make room for the wider gage track.

Extension of the drift began on June 3, advancing 8 feet. At this point mineralization appeared to be only on the bottom, therefore, it was decided to back up 20 feet and turn to the right to follow a more promising vein, which has been followed for 60 feet. This change in alinement required considerable slabbing before actual extension of the drift could begin on the new drift.

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 60

Scandia Mining Group
Name of Operator Theo., John, Donald, Effie Nasburg & Raleigh Hallenius
Docket No. DMA 325X
Total Contract Amount $ 7560.00
Government Participation: 50 % Amount, $ 3780.00
Distribution of Expenditures for Month of Oct. 1,1951 to Nov. 1, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Defense
MAY 1 8 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Scandia Mining Group
(Name of Company)

By Donald Nasburg
(Signature of Authorized Official)
32 E 29th Ave., Spokane, Wash.

Nov. 13, 1951
(Date)

Partner
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3

U. S. BUREAU OF MINES
RECEIVED
NOV 26 1951
ALBANY, OREGON

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1] *	135.31	284.77	420.08			
(b) Rented[2] **	139.87	772.17	912.04			
(c) Furnished by operator (2/3 mo)	90.00	90.00	180.00	36.00	90.00	126.00
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

* Rail, Drill Steel

** Rental Compressor & Drill Equipment 12 days

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	285.30	1609.00	1894.30			
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives	56.87	425.59	482.46			
(c) Repair Parts	5.58	43.37	48.95			
(d) Other	60.70	88.89	149.59			
7. Power	44.48	219.68	264.16			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						

Report on Scandia Mining Group for Oct.-Nov. 1951

From Oct. 1, to ~~Nov~~ Oct. 12, 1951 we advanced 17 feet making the total of 160 feet of drift which is well mineralixed in the lower half of the face and sidewalls.

Do to the weather and road conditions we had to close down for the winter as it was impossible to get supplies to the property.

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Oct. to Nov. 1, 191

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	285.30	365.18	106.93	**4.29	761.70	ft	17	100	117	200
Crosscutting										
Raising										
Shafts			*60.70		60.70					
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	285.30	365.18	167.63	4.29	822.40	ft	17	100	117	200

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

* Lumber, wire, nails
** O.A.B.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

U. S. BUREAU OF MINES
RECEIVED
NOV 26 1951
ALBANY, OREGON

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

COPY

D. O. Vou. No. _____
Bu. Vou. No. DMA-34

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By_____

U. S. Department of the Interior, Bureau of Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon Oct. 25, 1951
(Give place and date)

THE UNITED STATES, Dr.

To Scandia Mining Group
(Payee)

Address 32 East 29th Avenue, Spokane, Washington
Payee's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____ % Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	8/24-10/1/51	Per certified Form MF-104, dated 10/15/51, attached				1,181	46

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,181 46

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1,181 46
(Signature or initials) _____

Contract No. Idm-E60 Date 7/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

1,181.46

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	1,181.46	1,181.46

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ on Treasurer of the United States in favor of payee named above.
Cash, $_____, on _____, 19____. Payee _____
(Sign original only)

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example; "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to ..... dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2 (*a*) (*b*)" or "2 (*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with .....

5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE 16—22900-1

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 60
KMA-325

Name of Operator Theo., John, Donald, John Effie Nasburg and Raleigh Hallenius
Docket No. DMA 325X
Total Contract Amount $ 7560.00
Government Participation: 50 % Amount, $ 3780.00
Distribution of Expenditures for Month of Aug. 24, to Oct. 1, 1951

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
NOV 30 1 59 PM '51

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Scandia Mining Group
(Name of Company)

By Donald Nasburg
(Signature of Authorized Official)

Oct. 15, 1951
(Date)

Partner
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3

U. S. BUREAU OF MINES
RECEIVED
OCT 1 9 1951
ALBANY, OREGON

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	*207.52	77.25	284.77			
(b) Rented[2]	437.67	334.50	772.17			
(c) Furnished by operator	90.00	- - - -	90.00			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

* Pipe, Rail, Misc. Supplies

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	634.00	975.00	1609.00			
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives	212.65	212.94	425.59			
(c) Repair Parts	24.78	18.59	43.37			
(d) Other	27.25	61.64	88.89			
7. Power	* 89.71	129.97	219.68			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	54.00	- - - -	54.00			
O.A.B.	17.96	- - - - - -	17.96			
10. Contract Work	562.50	- - - - - -	562.50			
11. Other (specify) Freight	4.88	7.68	12.56			
Total	2362.92	1817.57	4180.49			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

For Government Use Only

Checked by R. Sanders
Entered by
Approved by Glenn A. Reed
Amount approved for payment 1,181.46
Remarks

* Gas and Oil Supply

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Aug. 24 to Oct. 1, 51

(Supply Data Below Applicable Only to Your Operations)

U. S. BUREAU OF MINES
RECEIVED
OCT 19 1951
ALBANY, OREGON

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	304.32	348.39	112.05	* 4.56	769.32	ft	31	69	100	100
Crosscutting										
Raising										
Shafts	**892.18	386.80	242.34	***72.28	1593.60	ft	22½	none	22½	50
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1196.50	735.19	354.39	76.84	2362.92	ft	53½	69	122½	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

*O.A.B
** Includes 562.50 Contract
*** Includes O.A.B., Work Comp. and Freight

Narrative of Scandia Project

On Sept. 6, 1951 the contract of 100 feet of drift was completed. The mineral showing throughout the entire 100 feet was very much the same. The drift is now 143 feet with a very well mineralized face and sidewalls.

We started the shaft of approxiamately 50 feet which showed very poor. The shaft is now to a depth of ~~27~~ 22½ feet.

U. S. BUREAU OF MINES
RECEIVED
OCT 1 9 1951
ALBANY, OREGON

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-7

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Interior Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon Sept. 12, 1951
(Give place and date)

THE UNITED STATES, Dr.,

To Scandia Mining Group
(Payee)

Address c/o Donald Nasburg, Spokane, Washington

Payee's Account No. _____

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms _____% Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	July 24 - Aug. 24, 1951	Per certified Form MF-104, dated Aug. 27, 1951, attached				908	78

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 908 78

(Payee must NOT use this space)
Differences _____
Account verified; correct for 908 78
(Signature or initials) _____

Contract No. Idm-E60 Date 7/16/51 Req. No. _____ Date _____ Invoice Rec'd _____

908.78

MEMORANDUM

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior		908.78

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ (Sign original only)

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

Per _____
Title _____

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

   (*b*) And by notices posted in public places.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U.S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(August 1951)
April

7

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E _____

Name of Operator Scandia Mining Group
Docket No. DMA 325 X
Total Contract Amount $ 7,560.00
Government Participation: 50 % Amount, $ _____
Distribution of Expenditures for Month of July 24 to Aug. 24, 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

Defense
MAR 1 0 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Scandia Mining Group
(Name of Company)

By /S/ Donald Nasburg
(Signature of Authorized Official)

Aug. 27, 1951
(Date)

Partner
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only ✓ Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:	ITEM					
(a) Facilities	Wages and salaries			975.00	- -	975.00
	Equipment purchase			77.25	- -	77.25
	Equipment rental			334.50	- -	334.50
	Explosives			212.94	- -	212.94
	Repair parts			18.59	- -	18.59
(b) Buildings	Other supplies			61.64	- -	61.64
	Power			129.97	- -	129.97
	Other (Freight)			2.68	- -	2.68
	(Assays)			5.00	- -	5.00
(c) Fixtures			TOTAL -	1817.57		1817.57
		TOTALS TO DATE -		1817.57		1817.57
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT

Distribution of Expenditures for Month of July 24 to Aug. 24, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date
Wages and salaries	975.00	none	975.00
Equipment purchase	77.25	none	77.25
Equipment rental	334.50	none	334.50
Buildings			
Explosives	212.94	none	212.94
Repair parts	18.59	none	18.59
Other supplies	61.64	none	61.64
Power	129.97	none	129.97
Transportation			
Withholding taxes			
Compensation insurance			
Other insurance			
Contract work			
Other (specify) Freight	2.68		2.68
Assays	5.00		5.00
TOTAL	1817.57		1817.57
Totals previously reported	none	none	none
Totals to date	1817.57	none	1817.57

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF

Type	Number	Man-Shifts	Rate	Total
Miners	1	25	$13.00	$325.00
Muckers	2	50	13.00	650.00
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
TOTAL	3	75	13.00	975.00

MONTH[illegible] SUMMARY COST STATEMENT—C[illegible]inued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(*d*) Fixtures						
4. Labor [3]						
5. Supervision						
6. Supplies						
(*a*) Timber						
(*b*) Explosives						
(*c*) Repair Parts						
(*d*) Other						
7. Power						
8. Transportation						
9. Insurance						
(*a*) Fire						
(*b*) Public Liability						
(*c*) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total						
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by .....

Entered by .....

Approved by .....

Amount approved for payment .....

Remarks .....

.....

.....

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July 24 to Aug. 24, 1951

(Supply Data Below Applicable Only to Your Operations)

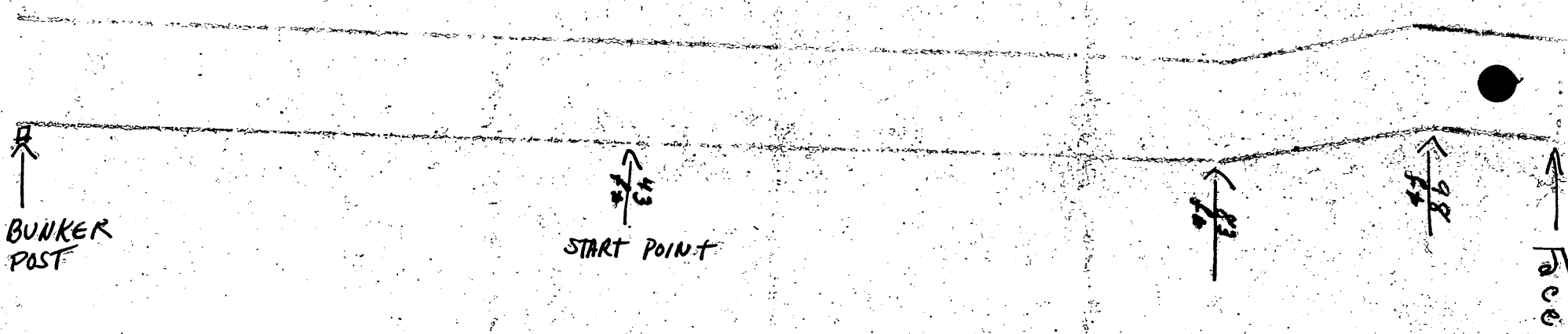
Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	975.00	411.75 ~~334.50~~	293.17 ~~500.39~~	(1) 129.97	1809.89	Ft.	69	none	69	150
Crosscutting										
Raising										
Shafts										50
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying				5.00	5.00					
Roads and trails										
Test pits										
Other (specify) Freight				2.68	2.68					
(1) Power										
Totals	975.00	411.75 ~~334.50~~	293.17 ~~500.39~~	137.65 ~~7.68~~	1817.57	Ft.	69	none	69	200

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Narrative of Scandia Mining Claim

To date, August 24, 1951 we have extended the drift to 108 ft., which has followed a fairly well defined Zinc vein. This vein has been as much as 20 inches wide in some places. At a point of about 83 ft., the vein turned to the left and seemed to separate into several small veins which were across the whole face. At about 90 ft. we encountered a slightly oxidized and fractured zone, showing some lead, however we have now practically gone through oxidation and now have a fairly good vein of zinc running diagonally across the face. At 95 ft. an assay sample was taken running 9.1% zinc.



Note:
Government Assay at 43 feet showed 0.1 lead. 6.1 zinc
At 95 feet we took sample, showing 8.1 zinc.

3/16" = 2 ft.

DMEA Form 14

Contr[illegible] No. Idm-E60

Docket No. 325

DEPARTMENT OF THE INTERIOR

Executed amended contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
August 1, 1957	I	Washington	Lead-Zinc

Name and Address of Operator: Grandview Mines, Inc.
Suite 310
Radio Central Building
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	7,834.80	14,626.20
Increase	0	7,834.80
Decrease	7,834.80	0
Revised Amount	0	22,461.00

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 11/5/57

22848

DMEA Form 14

Contract No. Idm-E60

Docket No. 325

DEPARTMENT OF THE INTERIOR

REWRITTEN reinstated approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
August 1, 1957	I	Washington	Lead-Zinc

Name and Address of Operator: Grandview Mines, Inc.
Suite 310, Radio Central Building
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	7,783.80	14,626.20
Increase	51.00	0
Decrease	0	0
Revised Amount	7,834.80	14,626.20

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 10/8/57

22845

DMEA Form 14

Contract No. Idm-E 60

Docket No. 325

DEPARTMENT OF THE INTERIOR

Reinstated approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
August 1, 1957	I	Washington	Lead-Zinc

Name and Address of Operator: Grandview Mines, Inc.
Suite 310, Radio Central Building
Spokane 4, Washington

	Reserve	Obligation
Prior Amount	0	14,626.20
Increase	7,783.80	0
Decrease	0	0
Revised Amount	7,783.80	14,626.20

Remarks:

Allen S. Dakan, Chief
(Name)
Operations Control and Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington

9/13/57

22845

Audit Copy

MF-200A
(Rev. April 1956)

RECEIVED
NOV 4 1957
D.M.E.A.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
SECOND AMENDED
EXPLORATION PROJECT CONTRACT
(Short Form)

DMA No.	Commodity	Contract No.	County	State
325	Zinc	Idm-E 60	Stevens	Washington

It is agreed effective August 1, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Grandview Mines, Inc., a State of Washington corporation,

whose mailing address is Suite 310, Radio Central Building
Spokane 4, Washington
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before July 4, 1958, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work [redacted] by October 31, 1958. (See Article 10.)

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $44,922.00. The Government will contribute 50 percent of the fixed unit cost of the work performed, not exceeding $22,461.00, in accordance with the provisions of Articles 4 and 5.

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

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

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

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

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

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. **See Annex II**

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. **See Article 10.**

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

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

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

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

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

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

ARTICLE 10. *Changes and added provisions.*—

(a) Annex II, attached hereto, is hereby made a part of this second Amended Contract.

(b) In Article 6(b)(2) the period sixteen (16) years from the date of the Amended Contract (August 15, 1952), is substituted for the period "ten years from the date of the Contract."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GRANDVIEW MINES, INC.
(Operator)

By Karl W. Jaeger

Title President

By Frank E. Skinner
ACTING ADMINISTRATOR, DEFENSE MINERALS EXPLORATION ADMINISTRATION

I, Mae Ford, certify that I am the Asst secretary of the corporation named as Operator herein; that Karl W. Jaeger, who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Mae C. Ford

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 20 1957

DATE	INITIALS	CODE

SECOND AMENDED EXPLORATION PROJECT CONTRACT
GRANDVIEW MINES, INC., ASSIGNEE
DOCKET NO. DMA-325

ANNEX I

The land referred to in Article 2 of the Contract is located in the Northport Mining District, Stevens County, State of Washington, and is described as follows:

Two unpatented lode mining claims, Scandia and Triangle Fraction, and N.W.¼ of N.E.¼, Sec. 23, T. 39N, R. 40E, WM, Less 10 acres; N.E.¼ of N.E.¼ of Sec. 23, T. 39N, R. 40E, WM; S. E.¼ of N.E.¼ of Sec. 23, T. 39N, R. 40E, WM.

The land is shown on the attached map entitled "Scandia Property, Map of Section 23, T. 39N,, R. 40E., W.M., showing location of completed and proposed drill holes, Scandia Mine, Stevens County, Washington."

The Operator is in possession and entitled to possession of the land pursuant to an option agreement dated December 1, 1955, executed between the Operator and Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED JUL 1 1957 D.M.E.A.

To the United States of America:

Referring to that certain land in the County of Stevens, State of Washington described as follows: 2/ NW¼ of NE¼, Sec. 23, T. 39N, R. 40 E.W.M., less north 10 acres, SE¼ of NE¼ of Sec. 23, T. 39N, R. 40 E.W.M., SW¼ of NE¼ Sec. 23, T. 39N, R. 40 E.W.M., and also the following described unpatented lode mining claims, situate in Stevens County, State of Washington, to-wit: Scandia, Triangle Fraction, Galena Queen, Sunnyside and Stonewall, situated in the Northport Mining District

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. 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;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest 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. 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 lines blank.)

NONE.

1/ Mining or 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. 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 copies of such notice; and

6. 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.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this 18th day of June, 1957

Theodore Nasburg	[Seal]	E. 1805 Maxwell Spokane 12 Wash	[Address]
Effie Nasburg	[Seal]	" " " "	[Address]
John Nasburg	[Seal]	Same	[Address]
Donald Nasburg	[Seal]	" " "	[Address]
Raleigh Hallenius	[Seal]	E. 1305 Everett Spokane Wash	[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

SECOND AMENDED EXPLORATION PROJECT CONTRACT
GRANDVIEW MINES, INC., ASSIGNEE
DOCKET NO. DMA-325

ANNEX II

WHEREAS:

Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, and the Government entered into Exploration Project Contract No. Idm-E50 (Docket No. DMA-325), dated July 16, 1951 (hereinafter called the "Original Contract"). The Original Contract was superseded by an Amended Contract among the same parties, dated August 15, 1952, and executed December 31, 1952, having the same docket and contract numbers as the Original Contract. The Amended Contract was assigned March 8, 1956, to Grandview Mines, Inc., with the consent of the Government. All work described in the Original Contract and in the Amended Contract has been completed, and the Government's share of the costs thereof has been paid. A Certification of Discovery or Development was issued March 19, 1957, pursuant to the provisions of the Amended Contract.

Grandview Mines, Inc. (the "Operator") and the Government desire to add more work to the project, to increase the estimated total cost of the project, to preserve the Certification of Discovery or Development, and to restate their entire agreement.

NOW, THEREFORE, it is agreed that:

1. Effective August 1, 1957, the Amended Contract is superseded by this Second Amended Contract which shall govern all rights and obligations of the parties, except for payment by the Government for work under the Original and Amended Contracts which has already been made.

2. The total net amount contributed by the Government under the Original Contract and under the Amended Contract is repayable under the royalty provisions of this Second Amended Contract.

3. The Certification of Discovery or Development issued March 1[illegible], 1957, is considered as having been made pursuant to the provisions of Article 6(a) of this Second Amended Contract, and the Government's rights under the Second Amended Contract respecting royalty are hereby vested with no further action by the Government required.

4. The Operator hereby releases and agrees to save the Government harmless from all claims and demands arising out of the Amended Contract.

SECOND AMENDED EXPLORATION PROJECT CONTRACT
GRANDVIEW MINES, INC., ASSIGNEE
DOCKET NO. DMA-325

EXHIBIT A

The work performed pursuant to the Original Contract is designated as Stage I. The work performed pursuant to the Amended Contract is designated as Stage II. The work to be performed pursuant to this Second Amended Contract is set forth below as Stage III.

Stage III

Diamond drill seven holes, not to exceed an aggregate of 2,225 feet of drilling. All holes shall be drilled on an approximate bearing of N. 15° W. and at an approximate inclination of -45° to crosscut the limestone to the slate contact, and shall be stopped shortly after penetrating the slate. The first holes drilled shall be holes numbered 5, 6, and 7, and may be drilled in any order. Information from these holes should indicate the trend of the mineralized area and determine the exact placement of subsequent holes. If, after seven holes are completed, the results warrant further drilling and the maximum aggregate footage has not been drilled, any remaining footage may be used to further test mineralized areas. The location, direction, inclination, and extent of each drill hole are subject to the prior approval of the Government.

All diamond drilling shall be done with AX size, or larger coring bits. All drill core shall be logged, properly labeled and stored and made available to the Government for examination. After the Government has examined the core, all significantly mineralized core shall be properly sampled in not to exceed five foot sections and the samples assayed for zinc and also for lead when warranted.

Sludges corresponding to the cores (drill runs) shall be retained (if possible) when drilling significantly mineralized sections and, in the event that core recovery does not exceed seventy per cent, both core and sludge samples shall be taken and assayed as above.

Representative samples of core and sludge shall be retained and furnished to the Government upon request.

All assays shall be reported monthly to the Government, together with the drill logs and proper plan maps and sections showing the progress of the work and sample locations.

Not to exceed 160 assay determinations shall be made for lead and zinc.

The proposed work is shown on the attached map entitled: "Plan of Scandia Workings, Showing Work Completed and Recommended Diamond Drill Holes 5 through 11."

FIXED UNIT COSTS OF STAGE III

2,225 feet of diamond drilling @ $6.96/ft.	$15,486.00	
160 determinations @ $1.00/each	160.00	
70 sample sacks @ $0.35/each	24.50	
Estimated Total Cost, Stage III		$15,670.50

S U M M A R Y

Total Cost of Stage I and Stage II Work	$29,252.39
Fixed Unit Costs of Stage III	15,670.50
Estimated Total Cost of the Project (rounded to)	$44,922.00
Government Participation @ 50 percent	$22,461.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mr. Karl A. Jasper, President
Grandview Mines, Inc.
Suite 310-311 Radio Central Bldg.
Spokane 4, Washington

Pursuant to the provisions of amended Exploration Project Contract No. Idm-160, dated August 15, 1952, Docket No. DMEA-325, hereinafter called the "contract", between Grandview Mines, Inc., a corporation, and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Drifting on the main adit level of the Scandia mine, winzing from such level and drifting and cross-cutting from the winze bottom, plus diamond drilling from the surface, have proved the existence of zinc ores occurring as replacements in limestone.

Dated: MAR 1 8 1957

THE UNITED STATES OF AMERICA

By C. D. Mitterdorf
Administrator, Defense Minerals
Exploration Administration

WRGriswold/er 3/11/57
Copy to:
Docket
S. A. Fredell, Dr., Sec.SER.DIV.
Mr. Lamb, U.S.M
Mr. Kiilsgaard, USGS
AdmR R File
Op. Committee
Base Metals
Cont.Adm & Audit Div.
Finance Office
Region 1, Mr Dist. (2)
Mr. Johnson
Mr. Griswold
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 1[illegible]

Mr. Karl W. Jasper, President
Grandview Mines, Inc.
Suite 310-311 Radio Central Bldg.
Spokane 4, Washington

Re: Docket No. DMEA-325 (Zinc)
Grandview Mines, Inc., Assignee
Scandia Mine
Stevens County, Washington
Amended Contract No. Idm-260

Dear Mr. Jasper:

Transmitted herewith is a certification of discovery or development related to the amended Exploration Project Contract No. Idm-260, dated August 15, 1952, on the lands described in the contract.

By the terms of the amended Exploration Project Contract and of the certification, all minerals mined or produced from August 15, 1952, to August 15, 1966, are subject to the Government's percentage royalty as set forth in the contract until the sum of $14,626.20 is repaid to the Government.

Payments should be made to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington. Checks should be drawn in favor of the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Weissenborn of any changes in ownership and production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. Weissenborn at six-month intervals that such is the case.

Sincerely yours,

Administrator

Enclosures

Region I, NW Dist.(2)
Mr. Johnson
Mr. Griswold
MK Chron

Adm R File
Op. Committee
Base Metals
Cont.Adm & Audit Div.
Finance Office

WMGriswold/er 3/11/57
Copy to: Docket
Mr. C.A. Fredell, MR.TDS.DMS
Mr. Lamb, USBM
Mr. Killsgaard, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 1 [illegible]

Theodore, John, Donald and Effie Nasburg
and Raleigh Hallenius
E. 11805 Maxwell
Spokane 62, Washington

Re: Docket No. DMEA-325 (Zinc)
Grandview Mines, Inc., Assignee
Scandia Mine
Stevens County, Washington
Amended Contract No. Idm-860

Gentlemen:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date, to the Operator, which has been issued pursuant to the terms of the above-cited Contract.

This correspondence relates to the Consent to Lien signed by you on December 28, 1955, and also to the above-cited Contract dated August 15, 1952, the assignment of which to Grandview Mines, Inc. was approved by the Government on February 21, 1956, without releasing you from any of the terms, provisions, and conditions of the Contract. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom. In the event the Operator fails to pay any royalty due to the Government from production during that period, the Government may look to you for payment thereof.

Sincerely yours,

WRGriswold/er 3/11/18/57
Copy to: Docket
Mr. C.A. Fredell, DR, TDS, DMS
Mr. Lamb, USBM
Mr. Kiilsgaard, USGS
Adm R R File
Op. Committee
Cont. Adm & Audit Div.
Region I, NW, Dist. (2)
Mr. Johnson
Mr. Griswold
Chron.

Administrator

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 1

Mr. Clarence A. Fredell, Acting Director
Technical Services Division
Defense Materials Services
General Services Administration
7th and D Street, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-325 (Zinc)
Grandview Mines, Inc., Assignee
Scandia Mine
Stevens County, Washington
Amended Contract No. Idm-160

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to amended Exploration Project Contract No. Idm-160.

The contract was dated August 15, 1952, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $29,260.00. Actual expenditures were $29,525.39, with the Government's share being half of such amount, or $14,626.20.

The total amount of work provided for under the contract consisted of 350 feet of drifting and crosscutting, 100 feet of winzing and 1,174 feet of diamond drilling. Work actually completed consisted of 357 feet of drifting and crosscutting, 98 feet of winzing and 1,174 feet of diamond drilling.

The discovery consisted of zinc ores occuring as replacements in limestone. The work was insufficient to permit a precise calculation of ore reserves, but it is estimated they will be in the order of 62,500 tons with a grade of 6.6 per cent zinc.

Sincerely yours,

Administrator

Enclosures

WRGriswold/er 31/11/58
Copy to: Docket
Mr. Aamb, USBM
Mr. Hillsgaard, USGS
Admr n File
Op. Committee
Cont.Adm & Audit Div.
Base Metals
Region I, NW, Dist. (2)
F. E. Johnson
W. R. Griswold
Chron.

Contract No. Idm-E 60

Docket No. 325

DEPARTMENT OF THE INTERIOR **Terminated contract**

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
July 16, 1951	I N	Washington	Lead-Zinc

Name and Address of Operator: Theodore, John & Donald; Nasburg, Effie Hallenius, Raleigh (Grandview Mines, Inc.)
32 E. 29th Avenue
Spokane, Washington

	Reserve	Obligation
Prior Amount	0	$14,630.00
Increase	0	0
Decrease	0	$ 3.80
Revised Amount	0	$14,626.20

Remarks:

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Name)
(Title)

Date Delivered to Bureau of Mines, Washington 12/26/56

989

Government's copy

AMENDED EXPLORATION PROJECT CONTRACT
GRANDVIEW MINES, INC., Assignee
DOCKET NO. DMEA-325

AMENDMENT NO. 8

It is agreed this 2nd day of July, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Grandview Mines, Inc., Assignee, that Amended Exploration Project Contract No. Idm-E60 (Docket No. DMEA-325), dated August 15, 1952, as amended, is further amended effective June 15, 1956, as follows:

1. In Amendment No. 7:

(a) The date ending the period for suspension of work is changed from "June 15, 1956," to "July 31, 1956." (Paragraphs 1(a) and 4.)

(b) The date for completion of the work is changed from "October 15, 1956," to "November 15, 1956." (Paragraph 2.)

(c) The period for payment of the Government's royalty is changed from "thirteen years" to "fourteen years from the date of the Amended Contract (August 15, 1952). (Paragraph 3.)

(d) The provisions of Amendment No. 7 not modified herein remain in full force and effect.

2. (a) The Description of the Work in Exhibit "A" is amended as follows:

In lieu of completing the winze described in item 2 under Stage II of Exhibit "A" to the Amended Contract, and in lieu of completing the drifting described in paragraph 4 of Amendment No. 6 to the Amended Contract, drill four diamond drill holes aggregating not to exceed 1,174 feet of diamond drill hole. The holes shall be not less than AX size.

The locations, directions, inclinations, and lengths of these drill holes shall have prior approval of the Government.

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(b) The Estimated Cost of the project is amended, as follows:

(1) The estimated total under Category (4), under "Actual Costs" in Exhibit "A" to the Amended Contract is changed from "$1,700.00*" to "$632.39*," and an item 4 is added under "Unit Costs" as follows:

4. 1,174 feet of diamond drilling at $7.00/ft. (rounded to) 8,219.54 x/ 1/

The unit cost includes all costs necessary to complete the drilling of the 4 diamond drill holes.

*Indicates allowable maximum.

x/ Money for this item of work is available as follows:

Unexpended balance:

Stage I of Amended Contract	$ 536.93	1/
Category (4) Actual Costs	1,067.61	1/
Drifting under Amendment No. 6	6,465.00	1/
Winze under item 2 of Stage II	150.00	1/
	$8,219.54	

1/Subject to audit.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the agreed unit cost of any item of work, or any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. D. Mitchenor
Administrator, Defense Minerals
Exploration Administration

GRANDVIEW MINES, INC.

By Karl W. Jaspl

Title President

Government's Copy

RECEIVED
MAR 19 1956

ASSIGNMENT OF CONTRACT

WHEREAS, Theodore, John, Donald, and Effie Nasburg and Raleigh Hallenius, a partnership (hereinafter called the "Assignor"), entered into, Amended Exploration Project Contract Idm-E60 (Docket No. DMEA-325), dated August 15, 1952, as amended (hereinafter called the "Contract"); and

WHEREAS, Grandview Mines Inc. a State of Washington Corporation, whose address is Suite 310, Radio Central Building, Spokane 4, Washington, (hereinafter called the "Assignee"), has acquired the Assignor's interest in the land which is the subject of the Contract and the Assignee desires to complete the work under the Contract;

NOW THEREFORE, effective December 1, 1955, the Assignor, subject to acceptance by the Assignee and consent of the Government, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from the Assignee does hereby assign, transfer, and convey to the Assignee all of its right, title, and interest in the Contract: Provided, That the Government shall make payment to the Assignor on all claims and vouchers for the Government's contribution under the Contract for work performed prior to said effective date, and upon payment thereof the Government shall be and is hereby released by the Assignor from all claims under the Contract.

The Assignor consents to all future amendments and assignments of the Contract and waives notice thereof.

Dated this 8th day of March, 1956.

Theodore Nasburg Partner [Seal]
Theodore Nasburg

John Nasburg Partner [Seal]
John Nasburg

Donald Nasburg Partner [Seal]
Donald Nasburg

Effie Nasburg Partner [Seal]
Effie Nasburg

Raleigh Hallenius Partner [Seal]
Raleigh Hallenius

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
MAR 19 1956

[redacted]
So. 157 [redacted] Street
Spokane 4, Washington

March 16, 1956

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-325 (Zinc)
Theodore, John, Donald &
Effie Hadburg & Raleigh
Hallenius
Sunnidia Mine
Stevens County, Washington
Amended Contract No. Idm-260

Dear Mr. Selfridge:

Reference is made to your letter of February 21, 1956.

Enclosed are the Government, Docket, and Division copies of Amendment 7 to the Sunnidia mine contract. Also enclosed are like copies of Assignment of Contract and Assignee's Acceptance transferring the contract to Grandview Mines.

The three copies of Consent to Lien have also been distributed.

Very truly yours,

Wing G. Agnew
Acting Executive Officer, DMEA
Field Team, Region I, NW Dist.

Enclosures 2 (in trip.)

cc: [redacted] (2)
[redacted](AD) w/FO copies inc.
Hellum

RECEIVED
MAR 19 1956

ASSIGNEE'S ACCEPTANCE

The Assignee hereby accepts the above Assignment and agrees to be bound by the terms, provisions, and conditions of the Contract. The Assignee expressly assumes and agrees to pay to the Government any royalty that may have accrued and remain unpaid on the effective date of the assignment and that may accrue thereafter under the provisions of the Contract.

Dated this 9th day of March, 1956.

Grandview Mines
Assignee

By Karl W. Jasper

its President

I, E-K. Barnes, certify that I am the _____ secretary of the corporation named herein; that Karl W. Jasper who signed this instrument on behalf of the corporation, was then President of said corporation; that said instrument was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

E K Barnes [Corporate Seal]
Secy

GOVERNMENT'S CONSENT

The Government, this 21st day of February, 1956, hereby consents to the above Assignment without releasing the Assignor from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By O P Mitchell
Administrator, Defense Minerals
Exploration Administration

Government's Copy

RECEIVED
MAR 19 1956

AMENDMENT NO. 7
to
AMENDED EXPLORATION PROJECT CONTRACT Idm-E60
Dated August 15, 1952
DOCKET NO. DMEA-325
between
THE UNITED STATES OF AMERICA
and
THEODORE NASBURG AND PARTNERS

It is agreed this 21st day of February, 1956, that the Contract, is further amended effective June 1, 1955, as follows:

1. (a) The project work shall be suspended for a further period beginning June 1, 1955, and ending not later than June 15, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. In Article 3, the completion date is further extended from "October 15, 1955," to "October 15, 1956."

3. In Annex III to Amendment No. 6, the maximum period for payment of the Government's royalty is changed from "twelve years," to "thirteen years" from the date of the Amended Contract (August 15, 1952).

4. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective.

(a) Effective October 13, 1954, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) The Government shall contribute to allowable costs incurred prior to said effective date; and shall contribute to allowable costs incurred or to be incurred beginning with said effective date in performing

winding-up and settlement actions provided for in the contract, including (1) the preservation and disposal of property to the cost of which the Government has contributed, and (2) the making and rendering of reports and accounts.

(c) The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (1) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (2) the rendering of the final report and final account.

(d) The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, as if certification of discovery or development had been made, such certification being hereby waived.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the amount of any item designated as "allowable maximum," nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchell Dorr
Administrator, Defense Minerals
Exploration Administration

By Theodore Nasburg (Partner)
By John Nasburg (Partner)
By Effie Nasburg (Partner)
By Donald Nasburg (Partner)
By Raleigh Hallenius (Partner)

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

RECEIVED JAN 16 1956

To the United States of America:

Referring to that certain land in the County of Stevens, State of Washington, described as follows:1/

Scandia and Triangle unpatented lode claims in the NE¼, sec. 23, T. 39 N., R. 40 E., W.M., and 30 acres of patented homestead land included in the S-3/4NW¼NE¼, sec. 23, T. 39 N., R. 40 E., W.M. Notarized amended location certificates for the Scandia and Triangle Claims are attached to contract.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. 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;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 28th day of December, 1955.

Theodore Nasburg
_____ [Seal]

Effie Nasburg
_____ [Seal]

John Nasburg
_____ [Seal]

Donald Nasburg
_____ [Seal]

Raleigh Hallenbeck

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

_____

[Corporate Seal]

RECEIVED
JAN 16 1956

OPTION AGREEMENT

THIS AGREEMENT made this 1st day of December, 1955, between THEODORE NASBURG, JOHN NASBURG, DONALD NASBURG, EFFIE NASBURG and RALEIGH HALLENIUS, as partners, of Spokane, Washington, hereinafter referred to as First Parties, and GRANDVIEW MINES, a corporation in the State of Washington, hereinafter referred to as Second Party,

WITNESSETH:

That the parties hereto, in consideration of the covenants and promises hereinafter set forth to be performed by them, do hereby agree as follows:

1. First Parties do hereby grant unto Second Party the exclusive right, privilege and option to purchase all of their interest in and to the following described real estate situated in Stevens County, State of Washington, described as follows:

> NE¼ of NE¼, Sec. 23, T. 39, R. 40 EWM, less north 10 acres, NW¼ of NE¼ of Sec. 23, T. 39, R. 40 EWM SE¼ of NE¼ Sec. 23, T. 39, R. 40 EWM,

and also the following described unpatented lode mining claims, situate in Stevens County, State of Washington, to-wit:

> Scandia, Triangle Fraction, Galena Queen, Sunnyside and Stonewall, situated in the Northport Mining District,

all being of the Official Records of said county and state in the office of the County Auditor at Colville, Washington, to which reference is hereby made for a more particular description of location of said claims; at and for the total purchase price of $100,000.00, to be paid to the First Parties as follows:

$1,000.00 upon the execution of this option agreement, the receipt whereof is hereby acknowledged by First Parties; $1,500.00 payable on or before the 1st day of December, 1956, for the contract year December 1, 1955, to December 1, 1956, and thereafter a minimum payment of $2,500.00 each year, commencing with the 1st

day of December, 1977, or, if said properties are producing, a royalty of 10% of the net smelter returns on all ores extracted, milled, and shipped from said properties, whichever is greater, and if said properties cease to produce, then said payment of $2,500.00 each year shall be resumed. All payments hereunder, including all sums paid to First Parties as royalties, are to be made to the First National Bank in Spokane, at Spokane, Washington, and are to be by said bank applied to the total purchase price of $100,000.00 and are to be by said bank apportioned to the First Parties in such amounts as they may direct and placed to their credit in said bank.

2. First Parties agree that upon the execution of this agreement they will forthwith execute a quit claim deed, conveying their interest in said lode mining claims to second party, free and clear of all encumbrances, and a warranty deed conveying title to the property described as:

> NW¼ of NW¼, Sec. 23, T. 39, R. 38 WM, less north 10 acres, NW¼ of NE¼ of Sec. 23, T. 39, R. 40 WM SW¼ of NE¼ Sec. 27, T. 39, R. 40 WM, in the County of Stevens, State of Washington,

to Second Party, free and clear of all encumbrances, except as stated below, and to deposit said deeds, together with a copy of this Agreement, in escrow in said bank, with instructions to deliver said deeds to Second Party upon payment of said total sum of $100,000.00 to First Parties at said bank, at the time and in the manner herein provided, and in the event of the forfeiture of this option, or voluntary surrender by Second Party, or other termination thereof, the said bank shall return said deeds to First Parties upon satisfactory proof of such voluntary surrender, forfeiture or termination.

Second Party, in addition to the agreed price of $100,000.00, agrees to assume and pay the present balance on Government Loan DMRA-225 upon the Triangle Fraction and Scandia claims. In the event of the voluntary surrender, forfeiture or termination of

[illegible] agree [illegible], First Parties agree to re-assume and pay [illegible] [illegible] the [illegible] Loan [illegible]-325 and save [illegible] harmless from any liability thereon.

3. First Parties agree to deliver to Second Party an [illegible] of title to the following described property:

> NE¼ of NE¼, Sec. 23, T. 39, R. 40 EWM, less north 10 acres, NW¼ of NE¼ of Sec. 23, T. 39, R. 40 EWM SE¼ of NE¼ Sec. 23, T. 39, R. 40 EWM, in the County of Stevens, State of Washington,

showing a merchantable title in First Parties, free and clear of encumbrance. Second Party shall have thirty (30) days within which to examine said abstract, at the expiration of which time Second Party shall return said abstract or abstracts to First Parties, together with a written notice of any defects or objections. First Parties shall have a reasonable time within which to cure any defects or objections to the title if the same can be cured by quiet title action or otherwise. If title cannot be cured by quiet title action or otherwise, and Second Party shall be unwilling to waive the defect, or defects, then this agreement shall be at an end and of no further force or effect.

4. Second Party agrees to cause to be performed [illegible] the assessment on unpatented lode mining claims for each calendar year during the life of this agreement, the annual assessment or representation work, commencing with the assessment year ending June 30, 195[illegible], at 12 o'clock noon, unless said requirement is waived by Stevens, and shall cause an affidavit thereof to be recorded in the Office of the County Auditor at Colville, Wash., within the time required by law. Such assessment work shall be completed not later than May 1st of each year in which it is required to be done hereunder, except for the assessment work ending July 1, 1956 and for such year the assessment work shall be done before July 1, 1956. In the event Second Party fails to perform such annual assessment or representation work on said unpatented lode mining claims and to abandon [illegible]

[illegible] First Parties a copy of its intention to [illegible] [illegible] ninety (90) days in any one year [illegible] [illegible] to exercise the option or claim property [illegible] [illegible] on the part of second party, or any [illegible] [illegible] representation made in any of said [illegible] [illegible] shall not release or a waiver of [illegible] [illegible] to service covered by this option agreement, [illegible] and on all times cease to keep [illegible] [illegible] on said premises or lease [illegible] [illegible] said property shall not be responsible [illegible] [illegible] material or for any claim for damage resulting from the operation of second party herein. Second party agrees to [illegible] all labor and material claims as and when due, and [illegible] [illegible] for mining operations hereunder.

5. Second party shall have the right to enter into [illegible] [illegible] and property upon the execution of this agreement for the purpose of exploring, developing and mining said property [illegible] shall have the right to use any roads now on said property [illegible] construct roads and trails thereon, power and telephone lines, water and air lines and flumes to facilitate the mining operations [illegible] shall have rights of way for all other purposes in connection therewith and in carrying on mining operations [illegible] development and production of ore, second party agrees to work [illegible] [illegible] the same in its discretion and to such extent and in such manner as it may deem proper, all work carried on by second party to be done in a good and workmanlike manner and at its sole cost and expense.

6. Second Party shall have the right to mine, mill and ship any ores that may be extracted or removed from said property during the life of this option agreement, and agrees to pay to First Parties as a royalty, as hereinbefore stated, 10% of the net smelter returns on all ores extracted, milled and shipped from said property until the total sum of $100,000.00 in cash and royalties has been paid to First Parties by Second Party on the purchase

[illegible]

7. First Parties, or their duly authorized representative, shall have the right at all reasonable times to enter into and upon all parts of said property for the purpose of inspection and to [illegible] and to permit the examination of production reports, [illegible], maps, diamond drill logs, and all other records relative to exploration or development work carried on by Second Party on or within said property.

8. The cost of United States and State revenue stamps required upon said escrowed deeds shall be paid by First Parties [illegible] be deducted by said bank from payments hereinafter made under this option to purchase. All escrow fees of said bank [illegible] equally divided between First Parties and Second Party.

9. In the event of the termination of this option by [illegible] surrender of Second Party, forfeiture or otherwise, [illegible] shall have the right to remove any and all machinery, [illegible] other equipment placed upon said property by it [illegible]

life of this agreement within a period of 90 days thereafter and all buildings constructed on said property by Second Party shall remain on said property and become the property of First Parties.

10. Time is expressly made the essence of this option, and if the Second Party shall fail to pay said purchase price promptly when due, or shall fail to perform any of the other covenants of this option, and such default shall continue for a period of thirty (30) days after receipt by Second Party of written notice from First Parties to correct the same, stating specifically the nature or ground of such default, then the First Parties may at their election terminate this option and declare the same forfeited, and in the event of such forfeiture, all sums theretofore paid by Second Party as cash or royalties shall be forfeited to First Parties as liquidated damages.

11. Second Party hereby has the right, at any time before expiration of this agreement to voluntarily surrender and terminate this agreement. If Second Party shall determine to voluntarily surrender and terminate this agreement at any time before the expiration thereof, it shall give thirty (30) days written notice to First Parties by registered mail at the address hereinafter stated, or served personally upon First Parties or such interested, and, upon the expiration of said notice, if First Parties do not within said time re-take possession of their property, Second Party shall not be liable for damages occurring to said property thereafter and any and all obligations on the part of Second Party accrued or not accrued, under this agreement, shall forthwith terminate and be at an end.

12. Any and all notices or communications required by the provisions of this option to purchase to be given to First Parties shall be either personally served upon JOHN T. RAFTIS, Attorney, whom the First Parties hereby appoint for said purpose, or given by registered mail to said JOHN T. RAFTIS, Attorney, at Dorrah Building, Colville, Washington, and to Second Party shall be

either personally served upon it or given by registered mail at its office at 310 Radio Central Building, Spokane, Washington. In the event either of the parties hereto shall change his or its address, notice of such change shall be given to the other party hereto.

13. In the event of strikes, floods, fires, failure of water or power, war, shortage of labor, governmental restrictions, Act of God, or other unavoidable casualty beyond the control of Second Party, which prevents or substantially retards the Second Party from carrying out its obligations hereunder (and all such causes and each of them are expressly recognized as valid reasons for deferment by Second Party), then and in any of said events so preventing or substantially retarding Second Party from carrying out any of its obligations, the time for performing such obligations shall be extended for a time equivalent to the duration of such period or periods as conditions above mentioned exist, and provided the Second Party shall resume operations with due diligence. Provided, however, this shall not affect the obligation of Second Party to make the minimum annual payments as set forth in Paragraph No. 1 hereof.

14. Second Party shall have the right at any time during the life of this agreement to anticipate any and all payments on the purchase price and upon full payment thereof, to thereupon receive said deeds and other papers in escrow.

15. It is expressly understood and agreed tha tthis agreement is NOT a contract of purchase and is in no wise to be construed as such, but is an OPTION agreement and upon the payments totaling $100,000.00, the parties agree that such payments totaling $100,000.00 in escrow is deemed to be and is an exercise of the option and will automatically be exercised by the Escrow holder delivering the deeds to Second Party.

16. Each of the foregoing covenants and provisions of the foregoing option to purchase shall extend to, inure to the benefit of, and be binding upon the parties hereto, the heirs, personal representatives, and assigns of First Parties, and the successors and assigns of Second Party.

IN WITNESS WHEREOF First Parties have hereunto set their hands and the Second Party has hereunto caused these presents to be signed by its president and its corporate seal to be hereunto affixed, attested by its secretary, the day and year in this instrument first above written.

Theodore Nasburg

Effie Nasburg

John Nasburg

Donald Nasburg

Raleigh Hollenbeck

First Parties

GRANDVIEW MINES

BY Karl W. Jaeger President

Attest: Max Hamilton Secretary

Second Party

[illegible])
) ss.
[illegible])

[illegible] appeared before [illegible] and RAI[illegible] the individuals described in [illegible] and acknowledged that they [illegible] their free and voluntary act and deed, [illegible] therein [illegible].

[illegible] my hand and [illegible] seal this 27 day of [illegible], 1[illegible].

Frances R. Rancke
Notary Public in and for the State of Washington, residing at Spokane

[illegible])
) ss.
[illegible])

[illegible] 20th day of December, 1955, before me, [illegible] and Mae Hamilton [illegible] known to be the [illegible] respectively of the corporation that executed the [illegible] foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

[illegible]
Notary Public in and for the State of Washington, residing at [illegible]

RECEIVED
OCT 13 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

October 10, 1955

Mr. Earl W. Jasper, President
Grandview Mines
310 Radio Central Building
Spokane 4, Washington

Re: Project No. DMEA-325 (mine)
Theodore, John, Ronald & Effie
Hasburg & Raleigh Ballentine
Sunnie Mine
Stevens County, Washington
Amended Contract No. DMA-260

Dear Mr. Jasper:

This is in answer to your letter of September 9, 1955, stating that Grandview Mines is negotiating a purchase option on the Sunnie mine and that you are interested in taking over the exploration contract. This matter was referred to our Washington office and they have no objections to the assignment.

Before this can be done, the enclosed Consent to Lien forms must be executed by the Hasburgs and Ballentine. The forms should accompany five copies of your purchase agreement.

As soon as these are received we will ask Washington to assign the contract to Grandview Mines and extend the completion date of the present contract. We can then discuss other exploration programs you may want to make.

Sincerely yours,

Verne G. Fryklund, Jr.
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures

cc: DMEA (3)
DMEA (2)
DMEA (2), Spokane

Government's copy

AMENDED EXPLORATION PROJECT CONTRACT
THEODORE NASBURG AND PARTNERS
DOCKET NO. DMEA-325

AMENDMENT NO. 6

It is agreed this 17th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, partners (hereinafter called the "Operator"), that Amended Exploration Project Contract Idm-E60 (Docket No. DMEA-325), dated August 15, 1952, as amended (hereinafter called the "Contract"), is further amended effective October 13, 1953, as follows:

1. Amendment No. 5 is cancelled.

2. a. The project work shall be suspended during the period beginning October 13, 1954, and ending not later than June 1, 1955.

b. No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

c. The Operator at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

3. The time fixed for the completion of the work is further extended to October 15, 1955. (The Amended Contract provided for completion "prior to July 16, 1953." Amendment No. 4 [Amendment No. 1 to the Amended Contract] extended the completion date of the Amended Contract from "eleven months" to "26 months" from the date of the Amended Contract [August 15, 1952].)

4. In Exhibit "A":

a. Under "Description of the Work," under Stage II, delete Item 1, and change Item 3 to read:

Drift on vein from 100-foot level in winze not to exceed a total of 300 feet.

b. Under "Estimated Costs of Additional Work," under "Unit Costs," delete Item 1, and change Item 3 to read:

The first 200 feet of drifting from the winze @ $35.00/ft.	$ 7,000.00
100 feet of drifting from the winze @ $30.00/ft.	3,000.00
	$10,000.00

5. That part of the second sentence of Article 10 of the contract beginning with the word "Provided" is deleted.

6. Annex III, attached hereto and made a part hereof, is substituted for the royalty provisions of Article 9 of the contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the amount of any item designated as "allowable maximum," nor the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Theodore Nasburg
Theodore Nasburg (Partner)

By O. Meitzenbergy
Administrator, Defense Minerals Exploration Administration

John Nasburg
John Nasburg (Partner)

Effie Nasburg
Effie Nasburg (Partner)

Raleigh Hallenius
Raleigh Hallenius (Partner)

AMENDED EXPLORATION PROJECT CONTRACT
THEODORE NASBURG AND PARTNERS
DOCKET NO. DMEA-325

ANNEX III

The following provisions are in lieu of Article 9:

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land,* as follows: (1) regardless of any certification of discovery or development, from the date of the contract[x] until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract,‡ or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

* The word "land" refers to the land described in Article 2 of the contract form.

‡ The words "for a period of ten years from the date of the contract" are changed to read "for a period of twelve years from the date of the Amended Contract (August 15, 1952)."

x The word "contract" here means Original Contract (July 16, 1951).

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

Government's Copy

AMENDED EXPLORATION PROJECT CONTRACT
THEODORE NASBURG AND PARTNERS
DOCKET NO. DMEA-325

AMENDMENT NO. 5

It is agreed this 16th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, partners, that Amended Exploration Project Contract Idm-E60, Docket No. DMEA-325, dated August 15, 1952, as amended, is further amended, effective October 13, 1953, as follows:

1. During the period from October 13, 1953, to not later than June 1, 1954, the project work shall be recessed; the Government shall not contribute to any costs of operation or maintenance incurred by the Operator; and the Operator shall save the Government harmless from any and all claims, and preserve and protect the project work and any property in which the Government has an interest.

2. The provisions of Annex II attached hereto are substituted for the provisions of Article 9 of the contract.

3. In Article 10 the period "11 years" is substituted for the period "10 years."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate the day and year first above written.

Theodore Nasburg
Theodore Nasburg (Partner)

John Nasburg
John Nasburg (Partner)

Donald Nasburg (Partner)

Effie Nasburg
Effie Nasburg (Partner)

Raleigh Hallenius
Raleigh Hallenius (Partner)

THE UNITED STATES OF AMERICA

By C P Mitchendorf
Administrator, Defense Minerals Exploration Administration

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1954

ANNEX II

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years*(or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is [illegible] which the material is not

APR 6 1953

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-325 (Zinc)
Theodore, John and Effie Nasburg, and
Raleigh Hallenius
Scandia Mine
Stevens County, Washington
Contract No. Idm-E60

Dear Mr. Weissenborn:

This is in reply to your letter of March 24, 1953, regarding the above contract and to advise you that Amendment No. 5 which you returned will be voided. The completion time for the project will be as stated in the executed Amendment No. 4.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

JWAlt/bjl/hmj (4/2/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals Div.
Mr. Kinkel
Mr. Bishop
Mr. Chambers
Chron.

Docket No. 325

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

REVISED CONTRACT
Contract No. Tdm-E 60

Date of Contract ~~Amendment~~ revision: August 15, 1952

Name and Address of Operator:

Theodore, John, Donald, and Effie Hasburg
Raleigh Hallenius
32 E. 29th Ave.,
Spokane, Washington

Amount of Government participation $14,630.00

Percent of Government participation 50 %

Region: II State: Washington

NOTE: This document cancels the previous obligation of $3,780.00 and establishes the amount shown above.

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

(Title)

Date Delivered to Bureau of Mines, Washington. Sept. 23, 1952 13908

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 325

COMMODITY Zinc
Idm-E60

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Government's Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 15th day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, partners, 32 E. 29th Avenue, Spokane, Washington, as provided in Annex I, annexed hereto, and as follows:

~~and the Operator, as follows~~:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Washington, County of Stevens, described as follows:[3] Scandia and Triangle unpatented lode claims in the NE¼, sec. 23, T. 39 N., R. 40 E, W.M., and 30 acres of patented homestead land included in the S-3/4NW¼NE¼, sec. 23, T. 39 N., R. 40 E., W.M. Notarized amended location certificates for the Scandia and Triangle Claims are attached to this contract.

the Operator represents and undertakes:[4]

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

(*b*) ~~That the Operator is the owner of the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.~~

ARTICLE 3. *Exploration project.*—The Operator, ~~will~~ ~~have~~ shall ~~commence~~ continue work on a project of exploration for[5] zinc in or upon the described land; and shall bring the project to completion ~~within the time fixed~~ prior to July 16, 1953. ~~The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract.~~ The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $14,630.00, which is 50 percent of $29,260.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.*

Dec. 31, 1952.

Executed in sextuplicate the dXXXXXXXXXXXXXXXXXXXXXX.

Partner

XXXXX Partner

Partner

By Partner

Partner

THE UNITED STATES OF AMERICA

ACTING By Administrator
Defense Minerals Exploration Administration

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

[CORPORATE SEAL]

THEODORE NASBURG AND PARTNERS
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-325

ANNEX I

This agreement, between Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, partners, and the Government, amends and supplements Contract Idm-E60, Docket No. DMEA-325, dated July 16, 1951, as amended prior hereto, all hereinafter called the "Original Contract," as follows:

When the work specified in the Original Contract is completed, this amendment and supplement providing for additional work shall become effective, and shall supersede the Original Contract in all respects, except that vouchers and claims for the Government's contribution to the costs of the work performed under the Original Contract shall be processed and paid as provided in the Original Contract.

THEODORE NASBURG AND PARTNERS
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-325

EXHIBIT "A"

Description of the Work

The work specified in the Original Contract is identified as Stage I and is retained as part of the specifications for the work under this amending and supplementing agreement, with the following additions thereto:

Stage II

1. Drift on vein westward in main adit a maximum of 100 feet (See attached map).

2. Sink inclined winze on hanging wall of vein 100 feet (See attached map).

3. Drift on vein in both directions from 100 foot level in winze not to exceed a total of 200 feet. (See attached map).

The location, direction and size of the drifts and of the winze are subject to the approval of the Government.

Estimated Costs of Additional Work

Unit Costs

1.	100 feet of drifting in main adit at $30.00/ft.	$ 3,000.00	
2.	100 feet of winze at $100.00/ft.	10,000.00	
3.	200 feet of drifting from the winze at $35.00/ft.	7,000.00	$20,000.00

The Government will contribute to the costs of drifting, and of sinking the inclined winze, as they accrue, for units of work actually performed, on the basis of these agreed estimated unit costs per foot in lieu of actual costs. The unit costs include all costs of the work except those scheduled below to which the Government will contribute on the basis of actual costs.

Actual Costs
(*Indicates allowable maximum)

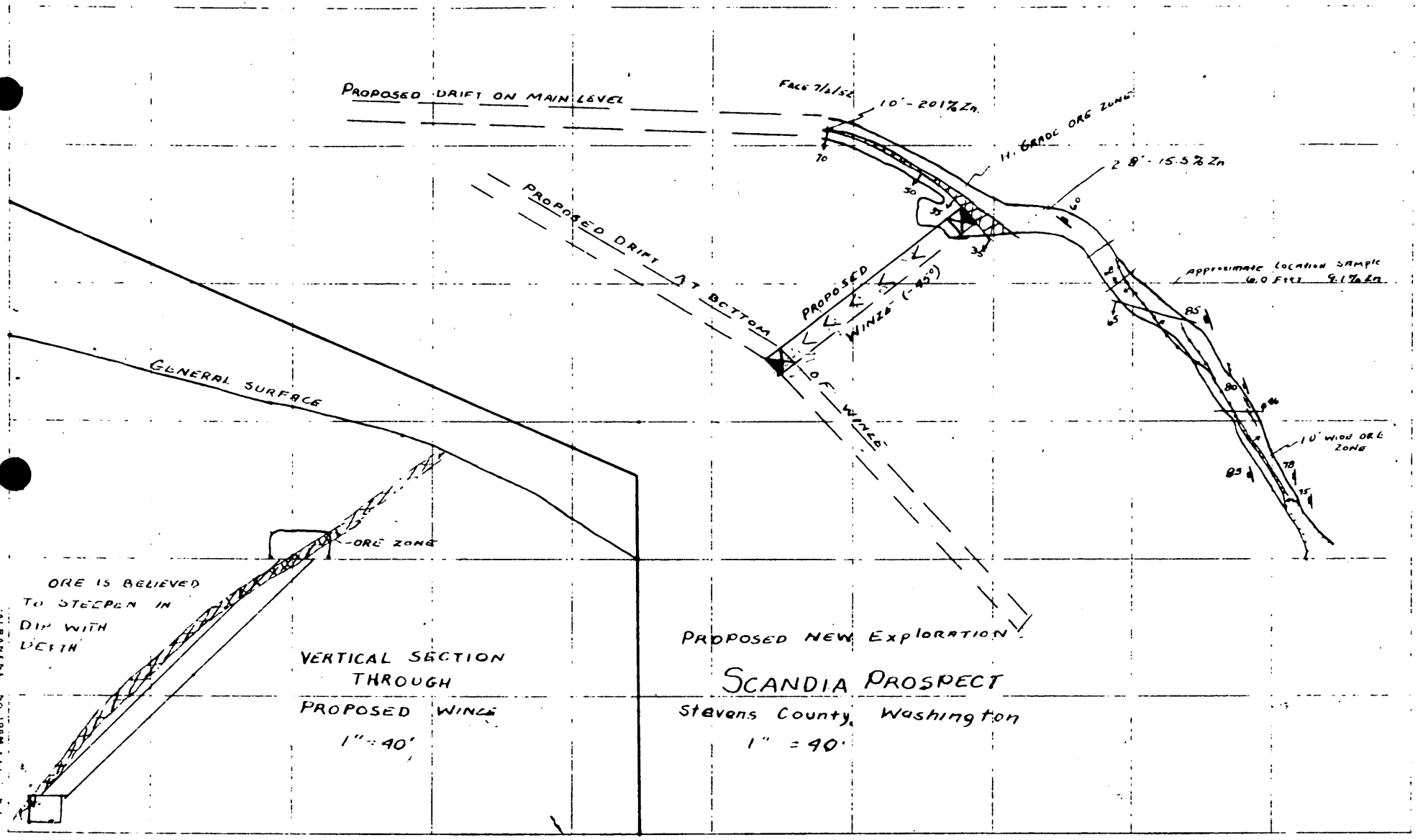
(4) Operating Equipment

To be Purchased

1 Air hoist, 1000# rope pull	$800.00		
1 Air receiver (used)	300.00		
1 Sinking bucket with sheave and cable	200.00		
1 Air Sump pump	400.00	$1,700.00*	
			$21,700.00

Estimated Cost of work in Original Contract	$ 7,560.00	
Estimated Cost of work in Amending Contract	21,700.00	
Total Estimated Cost of Project		$29,260.00
Government Participation @ 50%		$14,630.00

DOCKET DMA 325X ~~[illegible]~~ (ZINC)
Contract Idm 260



GOVERNMENT COPY

(Amendment to Change Starting and Completion Dates)

AMENDMENT NO. 4

Docket No. DMEA-325
(Zinc)

It is agreed this 25th day of November 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Theodore, John, Donald, and Effie Nasburg, and Raleigh Hallenius, partners

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E60 of August 15th 1952 between the parties hereto be modified and amended to change the starting date from -- to within -- ~~No. of days~~ ~~No. of days~~ of the date of the contract and the completion period from 11 No. of months to 26 No. of months from the date of the contract. The effective date of this amendment shall be November 25 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

Theodore Nasburg
~~Contractor~~ Partner

~~By~~ John Nasburg
Partner

Partner

Effie Nasburg
Partner

Raleigh Hallenius
Partner

The United States of America

By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

INDEXED ✓ RECORDED
COMPARED ✓ PROVED
STATE OF WASHINGTON } ss
COUNTY OF STEVENS
FILED & RECORDED
VOL. 24 OF Mining
PAGE 593 RECORDS
NOV 25 1952 John T. Kerr
Colville, Wash.
KARL SWEEY
COUNTY AUDITOR
DEPUTY
MAIL TO John T. Kerr
Colville, Wash.

AMENDED LOCATION CERTIFICATE

STATE OF WASHINGTON)
) ss.
County of Spokane)

Scandia

KNOW ALL MEN BY THESE PRESENTS, That Theodore Nasburg, the undersigned, has this 21st day of November, 1952, amended, located and claimed, and by these presents does amend, locate and claim, by right of discovery, an amended location certificate in compliance with the mining acts of Congress, approved May 10, 1872, and with all subsequent acts, and with the general statutes of Washington, and with the local customs, laws and regulations, 1500 linear feet and horizontal measurement on the Scandia lode, vein, ledge, or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East and 300 feet on the West side of the middle of said vein at the surface, so far as can be determined from present developments, and all veins, lodes, ledges or deposits, and surface ground within the lines of said claim, 200 feet running north from the face of discovery cut, and 1300 feet running in the opposite direction, said discovery cut being situated upon said lode, vein, ledge or deposit, and within the lines of said claim , in Northport Mining District, Stevens County, Washington, described by metes and bounds as follows, to-wit:

Beginning at corner No. 1, situated in the NE¼ of Section 23, Township 39 North, of Range 40 E.W.M.; thence North 200 feet to corner No. 2, the place of beginning; thence West 300 feet to corner No. 3; thence South 1500 feet to corner No. 4, thence East 600 feet to corner No. 5; thence north 1500 feet to corner No. 6; thence West 300 feet to corner No. 2, the place of beginning.

The said claim is bounded on the north by the NW¼ of NE¼; bounded on the east by the E½ of NE¼; bounded on the south by the

NW¼ of SE¼ of Section 23, Township 39 North, of Range 40 E.W.M., and on the west by Triangle Fraction Claim.

This being the same lode originally located on the 12th day of April, 1926, and recorded on July 10, 1926, in Book "21" of Quartz Locations, page 314, in the office of the Auditor of Stevens County, Washington. This further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correct any errors in the original location, description or record.

Theodore Nasburg

Said lode was discovered April 12, 1926

Attest: Theodore Nasburg

Date of amended location November 21, 1952

Date of amended certificate November 22, 1952

A F F I D A V I T

STATE OF WASHINGTON)
) ss.
County of Spokane)

Theodore Nasburg, being first duly sworn, upon oath deposes and says: That he is a citizen of the United States, over the age of twenty-one (21) years, and is one of the owners of and in possession and entitled to the possession of the Scandia lode mining claim aforesaid, described in this amended notice of location, and is working and developing the same; that affiant is acquainted with the mining ground described in this amended notice of location and herewith called the Scandia ledge, lode or claim; that the ground and claim therein described or any part thereof has not, to the best of his knowledge or belief, been located according to the laws of the United States and of this State, other than as originally located as the Scandia ledge, lode or claim, or if so located, that the same has been abandoned or forfeited by reason of the failure of such former locators to comply in respect thereto with the requirements of said laws and that the said company has opened up new ground to the extent or depth of ten feet as required by the laws of the State of Washington. That this amended notice of location is simply amendatory of the original location of said claim, lode or ledge, and is intended to fully comply with all the requirements of said laws, and to secure all of the benefits of said laws, not waving any rights whatever under the original location and record thereof.

Signed Theodore Nasburg

Subscribed and sworn to before me this 22 day of November, 1952.

Notary Public for Washington,
residing at Spokane, Washington.

272783

INDEXED ✓ RECORDED ✓
COMPARED ✓ PROOF ✓
STATE OF WASHINGTON } ss
COUNTY OF STEVENS }
VOL. 24
PAGE 596

DEC 9 1952
HAZEL FREEMAN
COUNTY AUDITOR
DEPUTY

MAIL TO:

AMENDED LOCATION CERTIFICATE

STATE OF WASHINGTON)
) ss.
County of Spokane)

Triangle Fraction

KNOW ALL MEN BY THESE PRESENTS, That Theodore Nasburg, the undersigned, has this 21st day of November, 1952, amended, located and claimed, and by these presents does amend, locate and claim, by right of discovery, an amended location certificate in compliance with the mining acts of Congress, approved May 10, 1872, and with all subsequent acts, and with the general statutes of Washington, and with the local customs, laws and regulations, 1500 linear feet and horizontal measurement on the Triangle Fraction (formerly Triangle) lode, vein, ledge, or deposit, along the vein thereof, with all its dips, angles and variations, as allowed by law, together with 300 feet on the East and 300 feet on the West side of the middle of said vein at the surface, so far as can be ~~determined~~ from present ~~developments, and all~~ veins, ~~lodes, ledges~~ or deposits, and surface ground within the lines of said claim, 20 feet running from the face of discovery cut, and 1480 feet running in the opposite direction, said discovery cut being situated upon said lode, vein, ledge or deposit, and within the lines of said claim, in Northport Mining District, Stevens County, Washington, described by metes and bounds as follows, to-wit:

Beginning at corner No. 1, situated in the NE¼ of Section 23, Township 39 North, of Range 40 E.W.M.; thence North 20 feet to corner No. 2, the place of beginning; thence West 300 feet to corner No. 3; thence South 1500 feet to corner No. 4; thence East 600 feet to corner No. 5; thence North 250 feet; thence West 170 feet; thence North 1250 feet to corner No. 6; thence West 130 feet to corner No. 2, the place of beginning.

The said claim is bounded on the north by the NW¼ of NE¼ of Section 23, Township 39 North, of Range 40 E.W.M.; bounded on the East by Scandia Claim; bounded on the South by the NW¼ of SE¼ of Section 23, Township 39 North, of Range 40 E.W.M.; and bounded on the West by Galena Queen Claim.

This being the same lode originally located on the 23rd day of June, 1945, in Book "23" of Quartz Locations, page 276, in the office of the Auditor of Stevens County, Washington. This further and amended certificate of location is made without waiver of any previously acquired rights, but for the purpose of correcting any errors in the original location, description or record.

Theodore Nasburg

Said lode was discovered June 23, 1945

Attest: Theodore Nasburg

Date of amended location November 21, 1952

Date of amended certificate November 22, 1952.

A F F I D A V I T

STATE OF WASHINGTON)
) ss.
County of Spokane)

Theodore Nasburg, being first duly sworn, upon oath deposes and says: That he is a citizen of the United States, over the age of twenty-one (21) years, and is one of the owners of and in possession and entitled to the possession of the Triangle Fraction mining claim aforesaid, described in this amended notice of location, and is working and developing the same; that affiant is acquainted with the mining ground described in this amended notice of location and herewith called the Triangle Fraction ledge, lode or claim; that the ground and claim therein described or any part thereof has not, to the best of his knowledge or belief, been located according to the laws of the United States and of this State, other than as originally located as the Triangle ledge, lode or claim, or if so located, that the same has been abandoned or forfeited by reason of the failure of such former locators to comply in respect thereto with the requirements of said laws and that the said company has opened up new ground to the extent or depth of ten feet as required by the laws of the State of Washington. That this amended notice of location is simply amendatory of the original location of said claim, lode or ledge, and is intended to fully comply with all the requirements of said laws, and to secure all of the benefits of said laws, not waving any rights whatever under the original location and record thereof.

Signed Theodore Nasburg

Subscribed and sworn to before me this 22 day of November, 1952.

Notary Public for Washington,
residing at Spokane, Washington.

Affidavit and Real Estate Sales Tax Receipt

STEVENS COUNTY, WASHINGTON

STATE OF WASHINGTON, COUNTY OF ~~STEVENS~~ SPOKANE, ss.

Donald Nasburg, being first duly sworn, on oath deposes and says:

That the following information relative to the sale of real estate is true and correct.

Seller's Name: Donald Nasburg, a bachelor at the time of acquiring title herein

Address: Spokane, Washington

Buyer's Name: John Nasburg, a bachelor

Address: 32 East 29th Spokane, Washington

Date of Instrument: 11-20-52 Date of Delivery: 11-20-52

Nature of Instrument: Quit Claim Deed

Legal Description of Property Conveyed

The undivided interest of the grantor in and to the E½ of NE¼, and all of the NW¼ of the NE¼, except the north 10 acres thereof, all in Section 23, Township 39 North, of Range 40 E.W.M.

The undivided interest of grantor in and to the S½ of NW¼ and N½ of SW¼ of Section 22, Township 39 North, Range 40 E.W.M., and S½ of NE¼ and N½ of SE¼ of said Section, Township and Range.

Subscribed and Sworn to before me this 20th day of November, 1952.

Donald Nasburg
Signature of Seller

Alvin Gordon
Notary Public in and for the State of Washington, Residing at Spokane, Washington
County Treasurer
Deputy County Treasurer

CHESTER A. HILLS
COUNTY TREASURER

This Becomes Your Receipt When Stamped Paid by County Treasurer. Payment Must Be Made by Cash or Certified Check.

CHESTER A. HILLS,
County Treasurer

No. 2[illegible]

SELLING PRICE	SALES TAX
The within deed is given only to clear title, and there is no consideration involved.	
TAX	none
PENALTY	none
TAX TOTAL	none

Chap. 11, Laws 1951, Extraordinary Session

MINING DEED STATESMAN INDEX - COLVILLE

THIS INDENTURE, Made this 20th day of November in the year of our Lord One Thousand nine hundred fifty-two BETWEEN Donald Nasburg, a bachelor at the time of acquiring title herein of the County of Spokane and State of Washington the party of the first part, and John Nasburg, a bachelor, East 32 29th Avenue, Spokane, of the County of Spokane and State of Washington the party of the second part.

WITNESSETH, That the said party of the first part, for and in consideration of the sum of - - - - - - One Dollar and other valuable consideration- - - - - - - - - - - - XXXXXXX DOLLARS, lawful money of the United States of America, to him in hand paid by the said party of the sesond part, the receipt whereof is hereby acknowledged, hath granted, bargained, sold, remised, released and forever quit-claimed, and by these presents do grant, bargain, sell, remise, release and forever quit-claim, unto the said party of the second part, his heirs and assigns, XXX the undivided interest of the grantor in and to Scandia, Triangle Fraction, Sunnyside, Stonewall and Galena Queen unpatented lode mining claims as located, surveyed, recorded and held by said party of the first part, situated XXX in the NE¼ of Section 23, Township 39 North, of Range 40 E.W.M.,

Northport Mining District, County of Stevens, State of Washington, together with all the dips, spurs and angles, and also all the metals, ores, gold and silver bearing quartz, rock and earth therein, and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, of the said party of the first part, of, in or to, the said premises, and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, All and singular, the said premises, together with the appurtenances and privileges thereto incident, unto the said party of the second part, his heirs and assign forever.

IN TESTIMONY WHEREOF, The said party of the first part has hereunto set his hand and seal the day and year first above written.

Signed, Sealed and Delivered in the Presence of (Seal)

(Seal)

(Seal)

Donald Nasburg (Seal)

272[illegible]2

STATUTORY FORM. QUIT CLAIM DEED — STATESMAN INDEX - COLVILLE

148 Deeds
158

REQUEST OF John T. [illegible]
DEC 18 1952 at 9:12 A.M.
HAZEL EMERY
COUNTY AUDITOR
DEPUTY

Quit Claim Deed

The Grantor Donald Nasburg, a bachelor at the time of acquiring title herein,

of Spokane, County of Spokane, State of Washington

for the consideration of $1.00 and other valuable consideration- - -~~XXXXXX~~ Dollars

conveys and quit claims to John Nasburg, a bachelor, 32 East 29th, Spokane, Washington,

all interest in the following described real estate, situated in the County of Stevens, State of Washington: The undivided interest of the grantor in and to the E½ of the NE¼, and all of the NW¼ of the NE¼, except the north 10 acres thereof, all in Section 23, Township 39 North, of Range 40 E.W.M., in Stevens County, Washington.

The undivided interest of the grantor in and to the S½ of NW¼ and N½ of SW¼ of Section 22, Township 39 North, of Range 40 E.W.M., and the S½ of NE¼ and N½ of SE¼ of Section 22, Township 39 North, of Range 40 E.W.M.

Dated this 20th day of November 1952

(Seal)

(Seal)

(Seal)

Donald Nasburg (Seal)

1952 REAL ESTATE TAX
EXCISE No. 2157
DEC 17 1952
CHESTER A. HILLS
COUNTY TREASURER

State of Washington, County of Spokane ss.

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 20th day of November, 1952, personally appeared before me Donald Nasburg, a bachelor at the time of acquiring title herein,

to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year above written.

Olive Gordon

Notary Public for the State of Washington,

Residing at Spokane, Washington.

STATE OF WASHINGTON,
County of Spokane } ss.

I, Alvin Gordon, a Notary Public in and for said County and State, do hereby certify that on this 24th day of November A. D., 19 52, personally appeared before me DONALD NASBURG, a bachelor at the time of acquiring title herein to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Alvin Gordon
Notary Public.

in and for the State of Washington
Residing at Spokane

MINING DEED

INDEXED
RECORDED
COMPARED
FILED

TO

STATE OF WASHINGTON,
County of STEVENS } ss.

I hereby certify that the within instrument was filed for record in the office of the County Auditor of said County on the 18 day of December A.D. 19 52 at 9 o'clock and 13 minutes, P. M., at the request of John T. Ruffis Colville, Wash. and recorded on page 129 of Book 2 of Mortgages

HAZEL EMEK
County Auditor
By Dorothy A. Nu, Deputy
Recorded 12-19- 19 52
By ....., Deputy

$5.50

John T. Ruffis
Colville, Wash.

272983

Government Copy
Idm-E60
Dmea-325
AR-119
Lead, Zinc

AMENDMENT NO. 3

It is agreed this 15th day of December 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Theodore, John, Donald and Effie Nasburg, and Raleigh Hallenius, all of Spokane, Wash.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E60 of July 16 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be July 16 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Scandia Mining Group
(Operator)

The United States of America

By John Nasburg Partner

By A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

NASBURG AND HALLENIUS
Exploration Project Contract Idm-E60

Amendment No. 2

EXHIBIT "F"

Changes and modifications

Under paragraph 3, line 4, of the contract delete "five calendar months" and substitute "fourteen calendar months."

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

OCT 25 1 43 PM '51

AMENDMENT NO. 2

It is agreed this 9th day of October 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Theodore, John, Donald, and Effie Nasburg and Raleigh Hallenius, all of Spokane, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-60 of July 16 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be September 1 1951.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Theodore Nasburg
(Operator)

By John Nasburg
Donald Nasburg
Effie Nasburg
Raleigh Hallenius

The United States of America

By M E Volin

M. E. Volin, Acting Executive Officer
DMA Field Team, Region II

Cont. Serv Sec.
Change Order
Noted.....
Reviewed.....

AMENDMENT NO. 2

Contract Idm-560

EXHIBIT "F"

In exhibit "D" of the contract under "Labor and Supervision" add the following paragraph:

"Labor for the shaft sinking described in Exhibit "A" of the contract may be paid at unit contract rates not to exceed $25.00 per foot."

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

OCT 15 10 53 AM '51

AMENDMENT NO. 1

It is agreed this 1 day of October 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Theodore, John, Donald and Effie Nasburg, and Raleigh Hallenius, all of Spokane, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E60 of July 16 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be October 1 1951.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

OCT 24 1951

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Theodore Nasburg
John Nasburg
(Operator)

By Donald Nasburg
Effie Nasburg
Raleigh Hallenius

The United States of America

By M E Walin
Acting Executive Officer

Cont. Serv. Sec.
Change Order
Dated S.M.L. 1/3/52
Reviewed

AMENDMENT NO. 1

CONTRACT NO. Idm-E60

EXHIBIT "F"

The shaft sinking and dependent work described in Exhibit "A" shall be terminated at 22.5 feet, thereby eliminating 27.5 feet of sinking at $60.00 per foot and 50 feet of drifting from bottom of shaft at $30.00 per foot.

The remainder of the funds originally intended to be used in completing the shaft sinking and drifting from bottom of shaft shall be used to extend the drift, marked "A", Exhibit "A", 100 more feet. This will allow an aggregate 200 feet of drifting on Drift "A".

If, at any time, it is considered by the Field Team geologically unadvisable to continue drifting, this part of the program shall be terminated and the advisability of crosscutting to extensions of other vein structures shall be considered. The total amount of drifting and/or crosscutting shall not exceed in cost that amount which remains to be expended under the terms of the original exploration project contract.

In Exhibit "C" under section "Operating equipment to be rented" delete the following:

1 - Air compressor, 105 cfm, portable, gas - monthly rental	$165.00

and substitute:

1 - Air compressor, 210 cfm, portable, gas - monthly rental	$290.00

Justification:
Docket File discloses "barren rock was encountered" in the shaft sinking & "if more decision were delayed to deepen shaft sinking & allow the remaining funds in the project to extending the original drift".

MF-200
(April 1951)

Docket No. DMA 325x
Commodity zinc

Idm-E60

Indexed
No. Card
Card
Reviewed
8/31/51

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

RECEIVED
JUL 25 1951
G.A.O.

It is agreed this 16th day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]

Theodore, John, Donald and Effie Nasburg, and Raleigh Hallenius, all of Spokane, Wash.

hereinafter called the "Operator," as follows:

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

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Washington, County of Stevens described as follows: [3] Scandia mining claim in sec. 23, T. 39 N., R. 40 E. Claim is unpatented.

with respect to which the Operator represents and undertakes: [4]

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

(*b*) ~~That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.~~

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

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

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

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

JUL 26 1951
RECEIVED
CONTRACT SERVICES
G.A.O.

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

Supplement No. 1, dated 10-1-51, Attached 11-5-51

16—64066-1

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

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

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

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

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator fifty percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $3,780.00, which is fifty percent of the agreed estimated total cost of this project, $7,560.00.

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

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

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

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

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

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

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

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

Executed in triplicate the day and year first above written.

Theodore Nasburg
John Nasburg
(Operator)
Donald Nasburg
Effie Nasburg
Raleigh Hallenius

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Scandia Mining Claim, Stevens County, Washington

Exploration Project Contract

EXHIBIT "A"

Exploration project

Time Schedule Months	
2	1. Drive drift marked "A" (on sketch attached) 100 feet on vein from existing heading.
3	2. Explore zinc ore body "B" (see sketch) by sinking and drifting about 50 feet each.

Estimated costs are:

1.	Drifting 100 feet @ $25 per foot*	$2,500.00
2.	Sinking 50 feet @ $60 per foot*	3,000.00
3.	Drifting off shaft 50 feet @ $30 per foot* . .	1,500.00
4.	Equipment to be purchased	560.00
	Total cost of project	$7,560.00

* Per foot costs are understood to include labor, supervision, and all operating costs, including sampling and assaying.

Scandia Mining Claim, Stevens County, Washington

Exploration Project Contract

EXHIBIT "B"

Fixtures and improvements

Any additional facilities and buildings to be purchased, installed, or erected by the operator shall not be charged as a cost of the project.

Scandia Mining Claim, Stevens County, Washington

Exploration Project Contract

EXHIBIT "C"

Operating equipment

To be rented:

	Monthly rental
1 - Air compressor, 105 cfm, portable, gas	$165.00
1 - Drifter, column and arm	85.00
1 - Hoist with cable (no power)	76.00
1 - Pressure water tank	5.00

To be purchased:

1 - Engine, gas (to drive hoist) . . .	$250.00
200 feet 12-lb. rail, with ties, splice bars, bolts and spikes . . .	75.00
130 feet 1-1/2 in. pipe	35.00
Miscellaneous supplies and small tools.	200.00
Total	$560.00

To be furnished by operator:

	Monthly rental allowance
1 - Tram car, 1 ton	$15.00
1 - 1-1/2 ton truck	63.00
1 set air and water hose	12.00
Total monthly rental allowance	$90.00

Scandia Mining Claim, Stevens County, Wash.

Exploration Project Contract

EXHIBIT "D"

Labor and supervision	Rate per shift	
Miner	$13.00	
Mucker	13.00	
Consulting service, engineer		$150.00
Bookkeeper, 5 days @ $20		100.00

The above rates are subject to lawful overtime increases and revision of pay scale under union contracts.

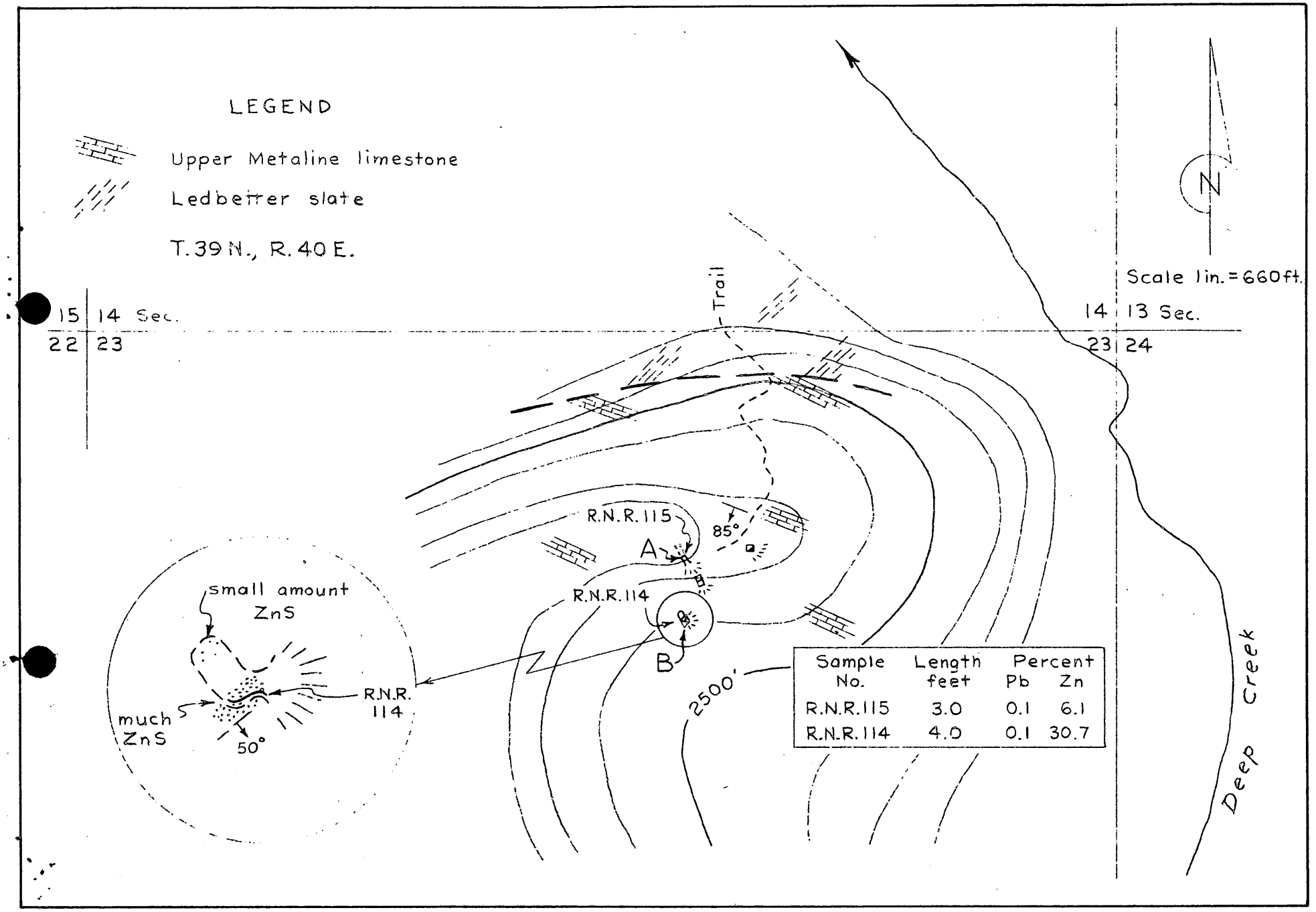
Scandia Mining Claim, Stevens County, Wash.

Exploration Project Contract

EXHIBIT "E"

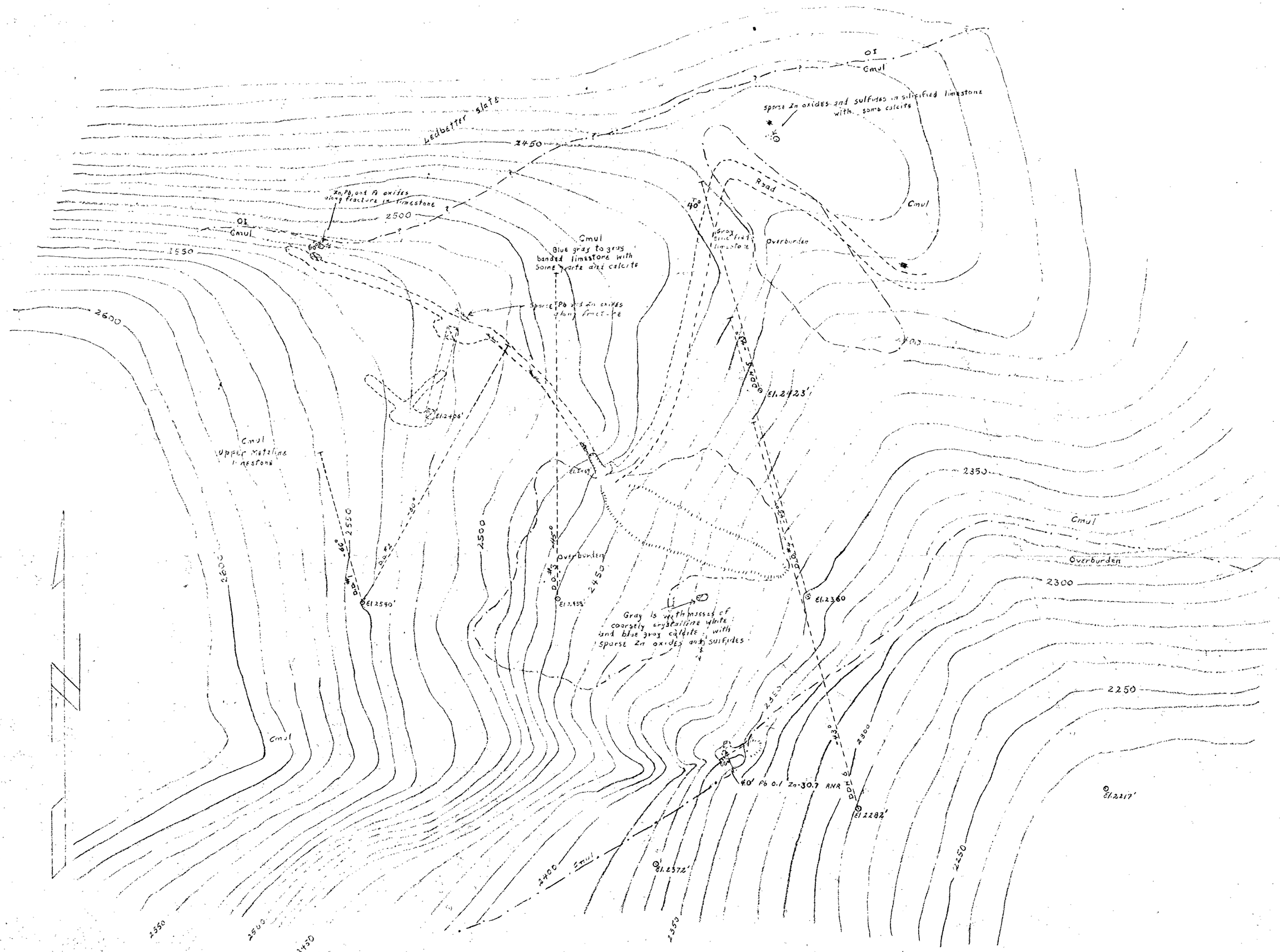
Rehabilitation and Repairs

No repairs or rehabilitation are planned on existing facilities, installations and buildings.



Sample No.	Length feet	Percent Pb	Percent Zn
R.N.R.115	3.0	0.1	6.1
R.N.R.114	4.0	0.1	30.7

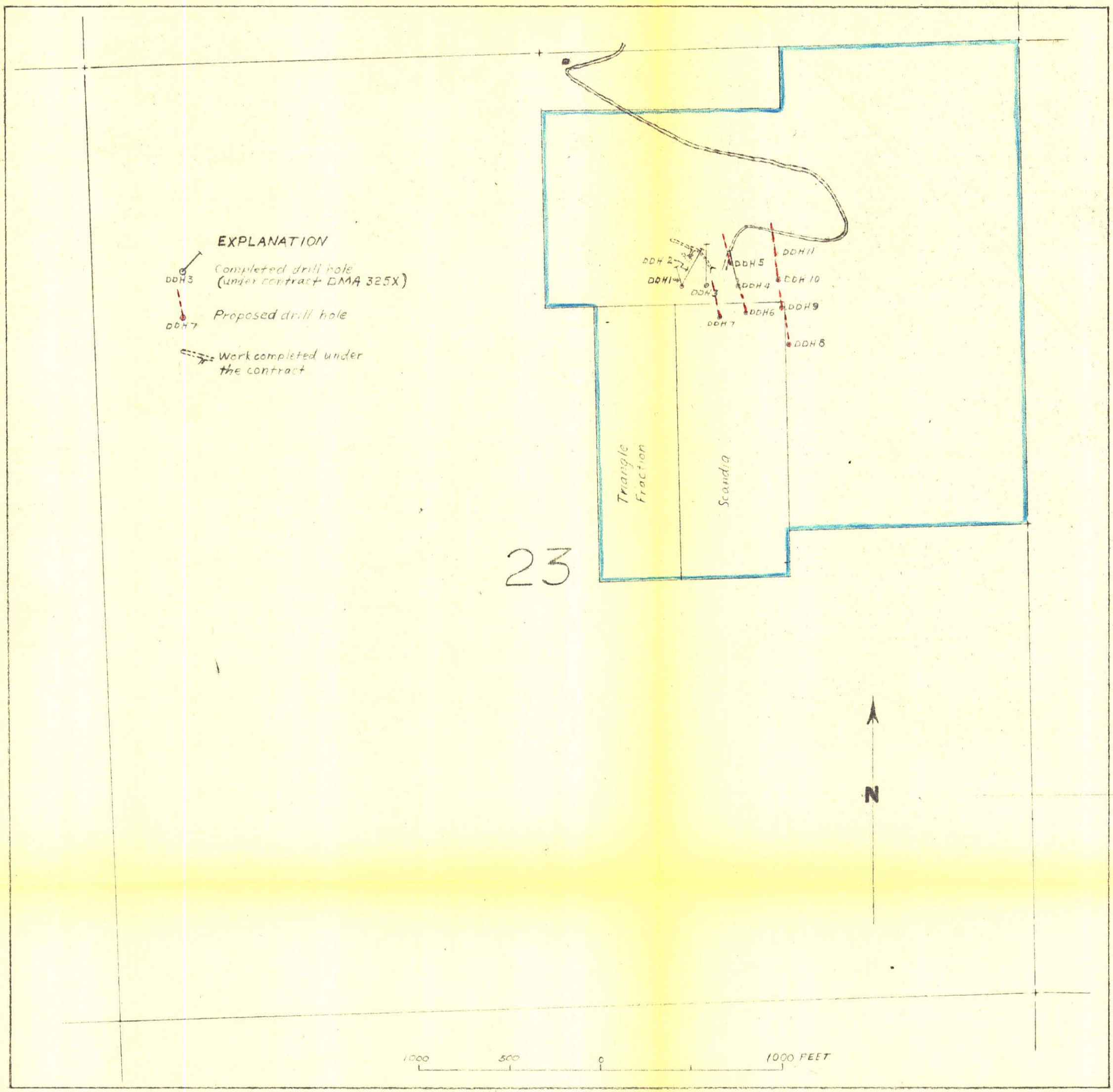
SKETCH OF SCANDIA PROSPECTS, STEVENS COUNTY, WASH.



Scandia Prospect
Stevens Co., Washington

1" = 50'
Elevation assumed
Magnetic bearing

GRANDVIEW MINES

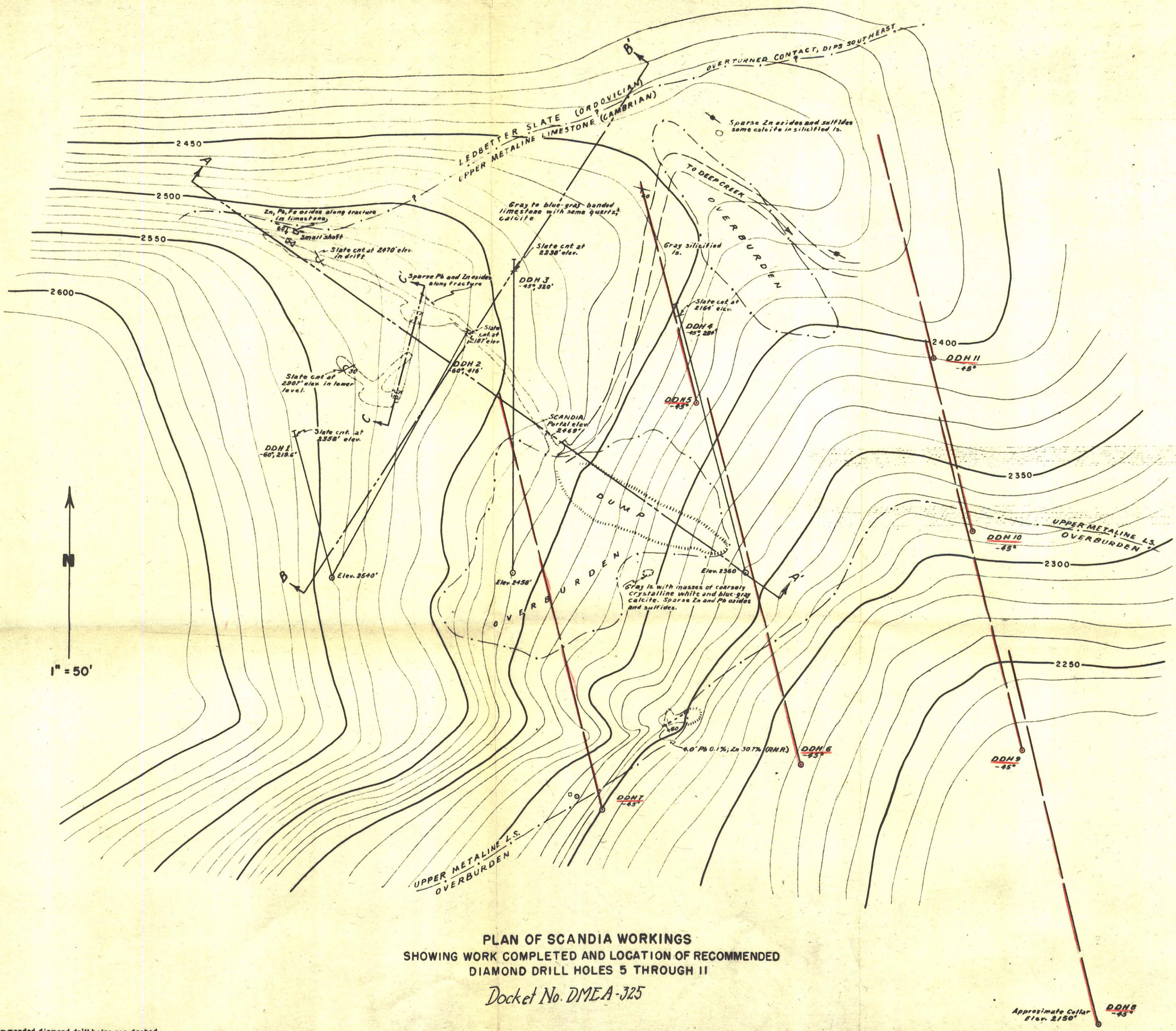


Scandia Property

Map of section 23, T.39N., R.40E., W.M., showing location of completed and proposed drill holes, Scandia Mine, Stevens County, Washington

Fig. 1

UNITED STATES
DEPARTMENT OF THE INTERIOR



PLAN OF SCANDIA WORKINGS
SHOWING WORK COMPLETED AND LOCATION OF RECOMMENDED DIAMOND DRILL HOLES 5 THROUGH 11

Docket No. DMEA-325

Recommended diamond drill holes are dashed