So. 157 Howard Street
Spokane, Washington 99204
April 29, 1964

EXTRA COPY O. M. E. RECEIVED 5 1964		
DATE		CODE
		800

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-2137

Upon receipt of Mr. Griswold's memorandum of April 16, 1964, I checked with the Bureau of Mines and talked by telephone with Mark H. Copley and Don A. Gillis, formerly accountant and secretary, respectively, of Spokane Mining Syndicate.

The Bureau of Mines had no record of production since the end of the DMEA work, shortly after which parts of the mill and tramway were removed from the property. Mr. Copley had no recent information concerning possible activity at the mine and Mr. Gillis was sure there had been no production since the DMEA project. I questioned the latter as to the status of the access road that has been being built piecemeal for the last few years as assessment work and he referred me to Charles A. Moomaw, one of the claim owners. Mr. Moomaw stated that by the end of the 1963 field season the access road reached the mine but that no underground work has been done and no ore has been shipped since the close of the DMEA project.

D. R. Maclaren

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-8137, Docket DMA-525X (copper-zinc), dated September 7, 1951, with

Talisman Mining and Leasing Company
730 Peyton Building
Spokane 8, Washington
and its assignee
Spokane Mining Syndicate, Inc.
314 West 7th Avenue
Spokane, 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 Talisman Mine located in Ferry County, Washington, during the period August 1, 1959, through May 10, 1962.

A certification of discovery or development was issued on October 4, 1954, and, in accordance with Annex I attached to and a part of Amendment No. 8 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 12 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. An Audit Certificate dated December 1, 1954, indicated accepted costs under the exploration contract amounting to $31,903.53 with the Government's contribution on a 50 percent basis being $15,951.76.

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 found the sales subject to the Government's royalty through July 31, 1959, to be $2,677.82. The royalty account as of July 31, 1959, was:

Total Royalty Payable	$133.89
Total Royalty Paid	133.89
Balance of Royalty Due	$ -0-

As of May 10, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$133.89
Total Royalty Paid	133.89
Balance of Royalty Due	$ -0-

May 18, 1962

E. D. Talbert, OME Auditor

Idm-E137 Spokane Mining Syndicate, Inc., Assignee DMA-525X

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract provides that the Operator or its successor in interest shall pay to the Government a percentage royalty on all minerals produced from the Snowbank Nos. 1 and 3 unpatented claims located in the Orient Mining District. At the time the contract was executed the Operator was in possession of the claims by virtue of a 5-year lease and option to purchase dated June 3, 1944, and extended on June 19, 1947, for an additional 5-year period. In consideration of the contract the owners, Don K. Busick, Gale E. Anderson, Glen L. Brink, and Ethel M. B. Brink, executed a Landlord's Subordination Agreement dated August 18, 1951. This agreement provides that, in event of surrender or termination of the leasehold, the owners-lessors shall assume the royalty obligations of the Operator.

On November 16, 1951, Talisman Mining and Leasing Company entered into an operating agreement with and on May 1, 1952, assigned the exploration project contract to Spokane Mining Syndicate, Inc. On July 8, 1952, the Government consented to the assignment without releasing the Operator-Assignor from the conditions of the contract.

Exploration work under the contract was discontinued in March 1954 and subsequently was terminated by an agreement dated July 29, 1954, after the Operator-Assignee advised that the Operator-Assignor had "failed to negotiate a new Purchase Agreement of the property with the original owners, which expired around June 5, 1954".

The DMEA Field Team's final report states that an estimated 1,326 tons of ore were broken during the exploration period and 951 tons were milled. The Operator's narrative for March 1954 confirms broken tonnage of at least 375 tons of crude ore remaining in the mine. Proceeds of $2,677.32 on the 57.62 tons of concentrates produced from the treated 951 tons are covered by a prior Report of Royalty Review dated August 21, 1959.

Subsequent inspections of the property and inquiries have disclosed no further activity, other than annual assessment work, on the property through September 8, 1959. The owners advertised the property for lease during May 1957, apparently without results. A May 10, 1962, reply by the Operator-Assignee to an inquiry on MME Form 63 stated that no production or change in ownership or lease had occurred since September 8, 1959.

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 that all sales of production from the property since the date of the contract have been accounted for and proper royalty thereon paid; 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 additional royalty which might be disclosed.

MAY 18 1962

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMA-525X (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-5137

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 5-18-62

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 Division of Minerals, Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E137, Docket No. DMA-525X (copper, zinc), dated September 7, 1951, as amended, with

Spokane Mining Syndicate, Inc.
720 Peyton Building
Spokane 8, Washington

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Talisman Mine located in Ferry County, Washington, during the period September 7, 1951, through July 31, 1959.

A certification of discovery or development was issued on October 4, 1954, and, in accordance with Amendment No. 8 to 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 12 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. An Audit Report and Certificate dated December 1, 1954, indicated accepted costs under the exploration contract amounting to $31,903.53 with the Government's contribution, on a 50 percent basis, being $15,951.76.

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

(1) All production involved was incidental to the exploration operations;
(2) Periodic inspections by representatives of the Field Team, Region I, disclosed that the property has been idle since completion of the exploration work; 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 additional royalty which might be disclosed.

The review established the total sales of lead and zinc concentrates to be $2,677.82. Royalty due the Government at the contract rate of 5 percent is $133.89. The royalty paid and balance due are as follows:

Total Royalty Due	$133.89
Total Royalty Paid	133.89
Balance of Royalty Due	$ -0-

C. E. Fisher
C. E. Fisher, OME Auditor

August 21, 1959

MME Form 22
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name **Spokane Mining Syndicate, Inc.**

Address **730 Peyton Building**

Spokane, Washington

Exploration Contract No. **Idm-E137** Docket No. **DMA-525**

		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.		

Mine inactive.

September 8, 1959
Date

S W Zoldok
S. W. Zoldok Mining Engineer

53362

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

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

FEB - 8 1956

Re: Docket No. DMA-525X (Copper-King)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. DMA-137

Dear Mr. Weissenborn:

This is in reply to your letter dated February 1, 1956, and to the copy of the attached letter from the Operator to you, dated January 23, 1956, pertaining to royalty payments regarding production from the cited property.

It is noted that Mr. Dunn, president of the operating company, protests the payment of royalty on the basis that the original contract did not require such royalty. It must be pointed out that the original contract requires royalty upon certification of the project is made. Such certification was made October 4, 1954. Moreover, on February 10, 1954, Mr. Dunn signed Amendment No. 8 which stipulated that Annex I was attached. Annex I requires in part that "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 ....."

It is hoped that this explanation will be sufficient to satisfy Mr. Dunn.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JWAlt/er;JIChambers/wb
February 8, 1956

Copy to: Docket
Adr. Reading File
Operating Committee
Base Metals
Contract Admin. & Audit
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division
Spokane 2, Washington
August 4, 1955

RECEIVED
AUG - 8 1955

Mr. E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

Re: Talisman Mining & Leasing Co.
Idm-E137, DMA-525X

Dear Mr. Talbert:

Reference is made to your letter dated August 3, 1955, with which you returned Report of Royalty Review covering the subject Exploration Project Contract.

You are correct in your assumption that I had misinterpreted the effect of Amendments No. 8 and 9. These amendments do make the effective date of the royalty repayment period September 7, 1951, in view of the fact that the project has been certified.

Mr. Zoldok now informs me that he has information from the Bureau of Mines, Albany, Oregon, to the effect that 43 tons of concentrates were produced at the property during 1953 and that such information will be incorporated in the final report now in preparation. Royalty has never been received on this production. Apparently I am not the only person who was confused by the effect of Amendments 8 and 9.

The Report of Royalty Review is withdrawn pending further developments in this case. It may be that an audit will be necessary. However, I am deferring any action for the present, awaiting a request by the Executive Officer that an audit be made, and for the further reason that more urgent matters require my attention. The offices of the company are in Spokane.

Sincerely yours,

C. E. Fisher

C. E. Fisher
DMEA Auditor

CEF:dl
cc: C. A. Turner

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

Mr. Clarence E. Fisher
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Aug 3 1955

Re: Talisman Mining & Leasing Co.
Idm-E137, DMA-525X

Dear Mr. Fisher:

Returned herewith for necessary correction is your Report of Royalty Review covering the subject Exploration Project Contract.

It appears that you have misinterpreted the effect of Amendments Nos. 8 and 9 to the contract. Amendment No. 8 included Annex I as a part of the contract in substitution of Article 15 of the contract form. Amendment No. 9 (see next to last paragraph thereof) deleted the words "from the date of the Contract" and substituted the words "from the date of Amendment No. 8 (February 10, 1954)" in Annex I so far as item (1) of paragraph "b" is concerned. This item (1) deals only with royalty due "regardless of any certification".

The certification of discovery was issued in accordance with item (2) of paragraph b. of Annex I which provides that royalty is payable "from the date of the contract". Furthermore the letter transmitting the certification of discovery to the Operator under date of October 4, 1954, states "By the terms of the Exploration Project Contract and of the Certification, all production from the land described in the contract after September 7, 1951, the date of the contract, is subject to the Government's percentage royalty ...."

Please correct your Report of Royalty Review to show determination of the royalties due from the date of the contract to the end of the period covered by your review.

Your Report of Royalty Review covering E120, DMA-211, The Smoose Mining Company, is acceptable and normal distribution is authorized. However, in connection with this report, as well as the one which is the subject of this letter, please refer to my suggestions for improvement as included in a letter of the same date to you.

Sincerely yours,

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb 8-2-55
cc: Docket
Admr. Reading File
Mr. Chambers

QUINTUPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-020-295

For credit of 420 Division of Disbursement, 523 U. S. Courthouse, Portland, Oregon
(Name, title, and disbursing or other identification symbol of accountable officer)

1/26/56
(Date sent)

deposited with Federal Reserve Bank of San Francisco, Portland Branch, Portland, Oregon
(Name and location of depositary)

$ 126.94

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-137	$126.94

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 498
Albany, Oregon

TO ABOVE-NAMED BANK OR TO TREASURER U. S.:

Herewith you will receive the deposit described above. Please observe the distribution printed on each accompanying copy of Standard Form 201.

Myrtle I. Purdy, Authorized Collector
(Depositor)

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 2068, date 1/23/56
Amount - $126.94
From: Spokane Mining Syndicate, Inc.
Contract E137, Spokane Mining Syndicate
Royalty receipt

FINAL
AUDIT REPORT

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of the:

Spokane Mining Syndicate, Inc., Assignee
730 Peyton Building
Spokane, Washington

and the

Talisman Mining and Leasing Co., Inc., Assignor
730 Peyton Building
Spokane, Washington

pertaining to Exploration Project Contract No. Idm-E137, Docket No. DMA-525X, dated September 7, 1951, including amendment Nos. 1 to 9, inclusive, covering a project for the exploration of copper and zinc on property known as the Talisman mine in Ferry County, State of Washington, for the period of September 7, 1951, to August 31, 1954.

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		$32,907.89
Less: Proceeds from disposition of property		986.50
Net claimed cost		31,921.39
Exceptions (see Audit Report for details):		
Prior to audit	$ -0-	
During the audit	17.86	17.86
Total accepted cost		$31,903.53

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 Fifteen thousand nine hundred fifty one and 76/100 Dollars

----$15,951.76----

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

December 1, 1954

AUDIT REPORT

I. INTRODUCTION

On September 21, 22, 23 and 24, 1954, a final audit (covering operations for the period of September 7, 1951, to August 31, 1954) was made of the records and transactions pertaining to Exploration Project Contract No. Idm-E137, Docket No. DMA-525X, dated September 7, 1951, including amendment Nos. 1 to 9, inclusive, with the:

Spokane Mining Syndicate, Inc., Assignee
730 Peyton Building
Spokane, Washington

and the

Talisman Mining and Leasing Co., Inc., Assignor
730 Peyton Building
Spokane, Washington

covering a project for the exploration of copper and zinc on property commonly known as the Talisman mine located in Ferry County, State of Washington.

The original records under this contract were maintained by and were in the custody of Mr. Don A. Gillis, secretary of the corporation, 730 Peyton Building, Spokane, Washington. Mr. Gillis was assisted by Mr. Mark Copley, public accountant, 424 Kuhn Building, Spokane, Washington.

Mr. W. S. Anderson, Mining Engineer and member of the DMEA Field Team, Region II, accompanied this auditor and assisted in the audit. Mr. Gillis and Mr. Copley rendered assistance as required.

II. GENERAL INFORMATION ON RECORDS

The general books of the company, consisting of a general ledger, capital stock ledger, cash receipts and disbursements record, were maintained by Mark Copley from items of original entry prepared by Don A. Gillis (secretary) and Henry T. Born (president).

The original records consisted of payrolls, mine time records, vendors invoices, bank statements and cancelled checks, State of Washington Industrial Insurance Monthly Reports, Federal Quarterly Payroll Tax Returns, and miscellaneous correspondence. A comprehensive work sheet was prepared each month covering every item charged to the exploration project and was used as a basis for the preparation of the monthly MF-104 and MF-104A.

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 final July-August 1954 Operator's monthly report and voucher form MF-104. A complete and detailed audit and analysis of all costs to the project was made.

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

(1) Independent Contracts

Approved subcontracts in force under this contract were as follows:

June and July 1952

Murbach and Hall

Crosscutting and drifting	$23.00 per foot

August 1952

A. B. Hall

Crosscutting and drifting	$23.00 per foot

September 1, 1952, to July 31, 1953

A. B. Hall

Crosscutting	$15.00 per foot
Drifting	15.00 per foot
Raising	15.00 per foot
Long-hole drilling	.40 per foot

Costs property chargeable to the project were found to be:

			Stage I	Stage II	Total
Crosscutting	43 ft.	@ $23.00	$ 989.00	-	$ 989.00
Crosscutting	68 "	@ 15.00	1,020.00	-	1,020.00
Drifting	108 "	@ 23.00	2,484.00	-	2,484.00
Drifting	331 "	@ 15.00	4,965.00	-	4,965.00
Raising	153 "	@ 15.00	2,295.00	-	2,295.00
Long-hole drilling	151 "	@ .40	60.40	-	60.40
Accepted Costs			$11,813.40	-0-	$11,813.40

Footages accomplished were verified by the DMEA engineer. Payments to the subcontractors were verified by cancelled bank checks.

(2) Labor and Supervision

The basic records for the labor costs consisted of payrolls prepared by Mark Copley, Public Accountant. The payrolls are supported by the foreman's pocket time book which contained the employee's name, rate per shift and classification of labor.

During the audit all time books were checked against the payrolls and payments were checked by reference to the cancelled bank checks.

Labor rates in effect which conformed to the rates being paid in the mining district per shift were as follows:

Miner	$12.50 to $16.00
Mucker	$12.00 to $13.20
Mechanic	$14.00 to $16.00
Mine Superintendent	$16.00

Labor rates for crosscuts, drifts and raises were $15.00 per foot accomplished.

Labor costs determined by the audit to be allowable costs to the project are as follows:

1953		
December Payroll	$744.40	
Disallowed by Field Team	404.40	
Allowed by Field Team 17 ft. @ $20.00 per foot		$ 340.00
1954		
January Payroll	$789.00	
Disallowed by Field Team	489.00	
Allowed by Field Team 15 ft. @ $20.00 per foot		300.00
February Payroll		110.00
July and August Payroll (salvage)		720.00
Accepted Costs		$1,470.00
Chargeable to		
Stage II		$ 750.00
Salvage Proceeds		720.00
Total		$1,470.00

Costs in excess of $20.00 per foot for drifting and cross-cutting were disallowed by the Region II Field Team as being excessive costs. The Operator was notified to this effect by letter from the Region II Field Team dated February 25, 1954. The disallowance was accepted by the Operator prior to this audit.

Supervision and Technical Services were rendered on a part-time basis during the exploration project at $16.00 per shift. Superintendance charges were made from invoices supplied by John Sims for the period of June 1, 1952, to August 31, 1953, and from payroll entries covering Herbert E. Bisley for the period of December 1, 1953, to February 28, 1954. Technical charges were supported by an invoice rendered by W. A. Richelsen. Payment was verified by cancelled bank checks.

Supervision properly allowable under the terms of the contract was determined to be as follows:

		Stage I	Stage II
John Sims	77 days	$1,232.00	$ -
Herbert E. Bisley	5 days	-	80.00
Accepted costs		$1,232.00	$80.00

Technical Services, covering the services of W. A. Richelsen preparing a final geologic and engineering report of the project, was found to be allowable as follows:

Technical Services	$119.28

(3) Operating Materials and Supplies

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

		Stage I	Stage II
Explosives		$3,017.55	$ 41.41
Pipe		246.82	.24
Track		282.48	-
Fuel-Oil-Lubricants		1,283.73	114.98
Steel and Bits		2,013.27	93.22
Carbide		35.12	12.00
Small Tools & Supplies		447.85	49.09
Miscellaneous		704.33	38.53
		$8,031.15	$349.47
Less Salvage Proceeds			
Explosives	$101.50		
Track	35.00		
		136.50	-
Accepted Costs		$7,894.65	$349.47

The Pacific Northwest Mining Co. made an offer by letter dated August 26, 1954, which was accepted by Region II Field Team by letter dated August 31, 1954, for equipment as follows:

5 Rail switches	$ 35.00
3,000 Feet fuse	25.00
900 Pounds powder	76.50
Total	$136.50

The Government's equity of $68.25 in the above supplies has been charged to the Pacific Northwest Mining Co. Exploration Project Contract No. Idm-E228, Docket No. DMA-2123X.

There is no remaining inventory of useable supplies on hand.

(4) Operating Equipment

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

Purchases

1 Atlas Rock Drill #433190 complete with hose, couplings, etc.	$ 390.02
1 Pneumatic Pusher	159.65
1 Rotary Grinder #422458	197.35
1 Raising Feed	219.90
2 Oil Heaters for cookhouse and bunkhouse	137.02
Accepted Cost	$1,103.94
Salvage Proceeds	350.00
Net Cost	$ 753.94

The Salvage Proceeds, in addition to the above equipment, included the remaining pipe, pipe fittings, rail, splice bars and drill steel, all of which were charged to the project under item (3) Operating Materials and Supplies. The Spokane Mining Syndicate by letter dated August 26, 1954, made an offer of $350.00 for these items which was accepted by the Region II Field Team by letter dated August 31, 1954.

Allowable Maximum

2 Oil stoves for cookhouse and bunkhouse	$184.00
Cost charged to project	137.02
Balance unused	$ 46.98

Depreciation

Stage I

2 Drifters	2 months	@ $25.00	$ 50.00
1 Stoper	2 "	@ $10.00	20.00
1 Jackhammer	2 "	@ $ 5.00	10.00
1 Compressor 210	2 "	@ $83.34	166.68
2 Mine cars	2 "	@ $ 3.33	6.66
1 Drifter	12 "	@ $12.50	150.00
1 Stoper	12 "	@ $10.00	120.00
1 Jackhammer	12 "	@ $ 5.00	60.00
1 Compressor 210	12 "	@ $83.50	1,002.00
2 Mine cars	12 "	@ $ 3.50	42.00
			$1,627.34

Stage II

1 Drifter	2-1/5 months	@ $12.50	$ 27.50
1 Stoper	2-1/5 "	@ $10.00	22.00
1 Jackhammer	2-1/5 "	@ $ 5.00	11.00
1 Compressor 210	2-1/5 "	@ $83.50	183.70
2 Mine cars	2-1/5 "	@ $ 3.50	7.70
			$ 251.90

Total Acceptable Costs $1,879.24

A disallowance of $84.00 was made for the depreciation on a #105 compressor for the months of June and July 1952 which had been charged to the project as

2 months @ $41.66 or $83.32.

The excessive deletion of $0.68 has been reinstated by this audit.

16833

(5) Initial Rehabilitation and Repairs

Charges to this category were determined by examination of invoices and payments verified by cancelled checks. The audit findings are as follows:

Tramway Repairs	$1,981.83

The Operator's charge to the project under this category was $4,150.00 which included tramway repairs required during the progress of the exploration project. These repair items are properly shown in section (7) Repairs, of this report.

(6) New Buildings, Improvements, etc.

Charges to this category were determined by examination of invoices and payment verified by cancelled checks. The audit findings are as follows:

Installation of doors and windows in machine shop building		$63.69
Allowable maximum	$75.00	
Costs charged to project	63.69	
Balance	$11.31	

(7) Miscellaneous

Charges to this category were determined by examination of invoices, payroll tax returns and payment verified by cancelled bank checks. The audit findings are as follows:

	Stage I	Stage II
Repairs to Equipment		
Tramway	$1,461.85	$1,477.78
Tramway Terminal	100.00	-
Drill Machine	365.36	27.40
Compressor	423.33	16.49
Ore car	10.83	-
Pump	73.57	-
Slusher	19.80	-
Air Tank	-	37.44
Light Plant	131.11	28.08
Telephone	33.00	-
Miscellaneous Equipment	429.17	14.75
Accepted Costs	$3,048.02	$1,601.94
Less Salvage Proceeds	-	500.00
Net Cost to Project	$3,048.02	$1,101.94

Mr. Henry Wynstra by letter dated August 16, 1954, bid $500.00 for 6,400 feet of 9/16" traction rope, tramway bucket, traction rope assembly and guide sheaves which was accepted by letter dated August 25, 1954, by the Region II Field Team.

The tramway terminal shed over the tail wheel at the lower tramway terminal was covered by an allowable maximum of $100.00.

Allowable Maximum	$100.00
Costs charged to project	100.00
Balance	$ None

A disallowance of $18.54 was made from pump repairs. A credit memo dated December 1, 1952, issued by the Copco Pacific Ltd. amounting to $9.27 was charged to exploration costs by the Operator instead of being treated as a credit.

Sampling and Analysis

	Stage I	Stage II
Assaying charges		
17 assays	$71.00	-
1 assay	-	$4.00
Sample bags	21.63	-
Accepted Costs	$92.63	$4.00

Payroll Taxes

Payroll taxes charged to the exploration project were found by the audit to be State of Washington unemployment insurance covering the salvage labor. State of Washington Employment Security Department's rate, account number 172522-00, is 2.7 percent of the payroll. Charges allowed by the audit are as follows:

$720.00 @ 2.7%	$19.44

(8) Contingencies

None were applicable to this project; however, the Operator had charged $757.78 tramway maintenance. This item was found by analysis of the charges to be tramway repairs and is shown as such under section (7) of this report.

IV. CONCLUSIONS

The audit disclosed that all costs charged to this project, with the exception of the disallowances aggregating $17.86 as itemized in the preceding sections of this report, are reasonable and proper under the terms of the contract.

The "Allowable Maximums" under this contract, in addition to the labor, supervision and depreciation rates, are:

	Allowable maximum	Accepted costs	Balance
Tramway terminal shed	$100.00	$100.00	$ -
Doors and windows in machine shop	75.00	63.69	11.31
Shed for 105 CFM compressor	50.00	-	50.00
Repairs 105 CFM compressor	300.00	-	300.00
Oil stoves	184.00	137.02	46.98
Total	$709.00	$300.71	$408.29

The adjustments between "Items of Costs" as shown on the final July-August 1954 MP-104, the disallowances, and the accepted costs as shown by this audit are summarized in Exhibit A attached hereto.

Exhibit "A"

AUDIT SUMMARY

	Final July & August 1954 MF-104	Corrected Distribution	Disallowed by Audit	Accepted costs	Salvage Proceeds	Stage I	Stage II
(1) Independent Contracts							
Drilling long holes	$ 60.40	$ 60.40	$	$ 60.40	$	$ 60.40	$ -
Crosscutting	2,009.00	2,009.00		2,009.00		2,009.00	-
Drifting	7,449.00	7,449.00		7,449.00		7,449.00	-
Raise	2,295.00	2,295.00		2,295.00		2,295.00	-
(2) Labor and Supervision							
Labor	1,470.00	1,470.00		1,470.00	(720.00)	-	750.00
Supervision	1,312.00	1,312.00		1,312.00		1,232.00	80.00
Technical Services	119.28	119.28		119.28			119.28
(3) Operating Materials & Supplies							
Timber	108.61	-		-	-	-	-
Explosives	3,058.96	3,058.96		3,058.96	101.50	3,017.55	41.41
Pipe	225.48	247.06		247.06		246.82	.24
Track	224.83	282.48		282.48	35.00	282.48	-
Gasoline-Oil-Carbide	1,434.70	-		-			
Steel-Miscellaneous	3,111.00	-		-		-	-
Fuel, Oil and Lubricants	-	1,398.71		1,398.71		1,283.73	114.98
Steel and Bits	-	2,106.49		2,106.49		2,013.27	93.22
Carbide	-	47.12		47.12		35.12	12.00
Small Tools & Supplies	-	496.94		496.94		447.85	49.09
Miscellaneous	-	742.86		742.86		704.33	38.53
(4) Operating Equipment							
Rental	-	-					
Purchase	1,107.21	1,103.94		1,103.94	350.00	1,103.94	-
Depreciation	1,878.56	1,878.56	(.68)	1,879.24		1,627.34	251.90
(5) Initial Rehabilitation & Repairs	4,150.00	1,981.83		1,981.83		1,981.83	-
(6) New Buildings, Improvements, etc.	63.69	63.69		63.69		63.69	-
(7) Miscellaneous							
Repairs to Equipment	1,810.66	4,666.50	18.54	4,649.96	500.00	3,048.02	1,601.94
Sampling and Analysis	96.63	96.63		96.63		92.63	4.00
Payroll Taxes	19.44	19.44		19.44	(19.44)		
Tools	123.40	-		-	-	-	-
Safety Supplies	22.26	-		-	-	-	-
(8) Contingencies							
Tramway Maintenance	727.78	-		-	-	-	-
Total	$32,907.89	$32,907.89	$17.86	$32,890.03	$247.06	$28,994.00	$3,156.59
Salvage Proceeds Exhibit "B"	986.50	986.50	-	986.50	(247.06)	252.94	500.00
Net Totals	$31,921.39	$31,921.39	$17.86	$31,903.53	$ -0-	$29,246.94	$2,656.59

Exhibit "B"

Salvage Proceeds

		Stage I	Stage II	Totals
Property Salvaged				
Explosives		$101.50	$ -	$101.50
Track		35.00	-	35.00
Equipment		350.00	-	350.00
Tramway		-	500.00	500.00
		$486.50	$500.00	$986.50
Salvage Expense				
Labor	$720.00			
Payroll Taxes	19.44			
		$739.44	-	$739.44
Net Salvage Proceeds		$(252.94)	$500.00	$247.06

At the conclusion of the audit the findings were discussed with Mr. Mark Copley (accountant for the Operator) and Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II.

C. A. Turner, Auditor

December 1, 1954

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 25, 1955

Mr. Henry T. Born, President
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 8, Washington

Re: Docket No. DMA-525X (copper-zinc)
Talisman Mine
Ferry County, Washington
Contract Idm-K137

Dear Mr. Born:

Enclosed for your information and files are copies of the Audit Certificate and Audit Report for the period September 7, 1951, to August 31, 1954, by C. A. Turner, auditor.

Sincerely yours,

John S. Vhay
Acting Member, DMEA
Field Team, Region 1 (NW District)

Enclosures
cc: DMA(2)
USBM(2)
Turner

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

DEC 15 1954

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

Re: Idm-E137, DMA-525X
Spokane Mining Syndicate, Inc.

Dear Mr. Turner:

Receipt is acknowledged of the copies of your Audit Certificate and Report covering the above-cited contract.

The Report is acceptable and normal distribution may be effected.

Sincerely yours,

SIGNED
Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
December 15, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

For Certificate of Deposit No. 160, dated September 3, 1954, giving proceeds from property of $250.00 and $175.00, see E-115.

April 12, 1954

Board of Directors
Spokane Mining Syndicate, Inc.
Spokane 1, Washington

PROGRESS REPORT - MARCH, 1954

Following is a summary of the exploration work conducted at the Talisman property, in Ferry County, Washington, during the month of March, 1954. This is under the D.M.E.A. Contract No. IDM-137 Docket, No. 5251:

Exploration: During the month, no footage or diamond drilling was accomplished, as there was no crew at the mine. Inability to secure diamond drill contractors for a job with a minimum of 450 to 600 feet presented an obstacle. Forms MF 104 and MF 104A will not be submitted.

Milling Operations: The mill operated between the 5th and the 13th for a total of 53.5 hours, consuming 121.99 tons of fine ore, and produced 17.41 tons of concentrates. Approximately 15 tons of zinc and 2 tons of copper concentrates are now in the separate bins. Estimated broken tonnage of at least 375 tons of crude ore still remain in the mine.

General: Your company now has a lease from Trabella Uranium Mines, Inc., of Colorado Springs, Colorado, on eleven lode claims of approximately 220 acres, more or less, in the Coal Bed Mining District, County of San Juan, State of Utah. Six additional claims of 20 acres each are now being located to cover an outcrop of importance next to the Northeast area of the claims. The first diamond drill hole projected to penetrate the Morrison formation (favorable beds and host rock for uranium ore) will be started soon by Mineral Engineering Company, of Grand Junction, Colorado.

Conclusion: Share buying public seems to be more interested in companies operating uranium properties, and so your company is protecting its future by entering this field - also of prices guaranteed until 1962.

Respectfully submitted,

Don A. Gillis

Don A. Gillis, D. M. S.
Secretary

DAG:bm

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

MAR 19 1954

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Docket No. DMEA-525, Idm-E137
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington

Dear Mr. Hull:

In reply to your letter of March 15, 1954, I would like to point out that the contract gives the Government the right to determine what is "reasonable and necessary costs" in reimbursing the operator. The Field Team therefore has the responsibility of determining whether the operator should be paid for much of his work which the field examiners question as being wasteful in time and money. From an engineering standpoint the auditor cannot say that costs of a job are unreasonable, but the fact that you have access to the field representatives' reports along this line makes it mandatory on your part to require the Field Team to make a ruling in any of these cases which have been questioned by their own representatives. For your own protection in the audit, this should be done.

Sincerely yours,

SIGNED

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 19, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N; Division Street
Spokane 2, Washington
March 15, 1954

Defense Minerals Ad...
RECEIVED
MAR 17 1954

AIR MAIL

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract Idm-E137, Docket DMEA 525
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington

Dear Mr. Chambers:

No doubt you have read the memorandum to the Field Team of February 24, 1954 on the exploration costs of the Talisman Mine.

I would appreciate your comments on this matter.

Sincerely yours,

Robert M. Hull

Robert M. Hull
Auditor

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. 1403

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

Voucher prepared at Spokane 1/13/55
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E137

To Spokane Mining Syndicate, Inc.
(Payee)

730 Peyton Building Spokane, Washington
(Address) (City) (State)

PAID BY
(For use of Paying Office)

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
JAN 21 1955

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.
Feb.1954 - As per attached certified form MF-104 dated 3/6/54						142.98	
July-Aug.1954- As per attached certified form MF-104 dated 9/4/54						(182.50)	
July-Aug.1954 - As per attached certified form MF-104 dated 11/1/54						60.43	
Supplement							
		Salvage checks received				425.00	
						445.90	
PAYMENT:		Audit adjustment				- .01	
Complete ☐		Balance due operator per audit report				445.89	
Partial ☐		Less royalty payment due Government from operator				6.95	
Final ☑							
		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 438.94

(Payee must NOT use this space)

Differences .....

Account verified; correct for 438.94

(Signature or initials) .....

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

MEMORANDUM

Note royalty deduction

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—22900a-2

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

FINAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

Stage 2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Department of the Interior
Defense Minerals Administration
RECEIVED
JAN 21 1955

Month of July & August, 1954 Docket No. DMEA 523 X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu Zn
Address 730 Peyton Building, Spokane, Wash.
Contract Amount, $44,000 Government Participation: 50 % Amount, $22,000

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 Long Hole		60.40	60.40		60.40	60.40
Bulldozing						
Crosscutting		2,009.00	2,009.00		2009.00	2009.00
Drifting		7,449.00	7,449.00		7449.00	7449.00
Raising		2,295.00	2,295.00		2295.00	2295.00
(2) Labor and Supervision:						
Labor	720.00	750.00	1,470.00	—o—	1470.00	1470.00
Supervision		1,312.00	1,312.00		1312.00	1312.00
Technical Services	119.28		119.28	119.28	—o—	119.28
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61	108.61	108.61	—o—
Explosives		3,058.96	3,058.96		3058.96	3058.96
Pipe		225.48	225.48	21.58	225.48	247.06
Track		224.83	224.83	57.65	224.83	282.48
Gasoline-oil-Carbide	(98.51)	1,533.21	1,434.70	35.49	1434.70	1398.71
Steel-~~Misc. Supplies~~ Carbide-tools & supplies misc.		3,111.00	3,111.00	[illegible]	3114.27	2106.49
(4) Operating Equipment:				1286.92		1286.92
Rental						
Purchase		1,107.21	1,107.21		1103.94	1103.94
Depreciation		1,878.56	1,878.56	.68	1878.56	1879.24
(5) Initial Rehabilitation and Repairs		4,150.00	4,150.00	2163.19	4150.00	1981.85
(6) New Bldgs., Improvements, etc.		63.69	63.69		63.69	63.69
(7) Miscellaneous:						
Repairs to Equipment		1,810.66	1,810.66	2839.30	1810.66	4649.96
Sampling and Analysis		96.63	96.63		96.63	96.63
Payroll Taxes	19.44		19.44	19.44	—o—	19.44
Liability Insurance						
Tools		123.40	123.40	[illegible]	123.40	—o—
Safety Supplies		22.26	22.26	22.26	22.26	—o—
(8) Contingencies (specify):						
Tramway Maintenance		757.78	757.78	757.78	757.78	—o—
Sale salvageable material and/or equipment	(986.50)		(986.50)	—o—	[illegible]	[illegible]
TOTALS	(226.29)	32,147.68	31,921.39	120.86	31782.67	31903.53

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

Date Nov. 1, 1954 *Payee Spokane Mining Syndicate, Inc.

Per Don C. Gillis Title Secretary

*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:

$ 60 43

Signature MJP
(Authorized Certifying Officer)

Date 1-13-55 Vou. No. 1403

(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. E137 in accordance with the terms of the contract.

Signature 1st Webster S Anderson Title Mining Engr Date 11-15-54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Zolloh Title Mining Engr Date 11-15-54

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

FINAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 2

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 1954

Month of July & Aug. 1954 Docket No. DMEA 525 X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu Zn
Address 730 Peyton 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	Ft.			15,997.72	445	35.95	500	30.00
Crosscutting	Ft.			3,990.44	111	35.95	175	30.00
Raising	Ft.			6,650.74	185	35.95	150	30.00
Shafts								
Winzes								
Drilling: ~~Rk~~Longhole	Ft.			187.88	181	1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
~~Dismantling~~		858.72		858.72				
Total Distributed Costs				27,685.50	741 181			Total Costs Authorized by Contract
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				4,150.00				
New Buildings, Improvements, etc.				83.69				
Gas refund-sale salvage-		(1085.01)		(1,085.01)				
able materdal and/or equipment		(226.29)		31,921.39				

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.

Remarks:

Date Nov. 1, 1954 Operator Spokane Mining Syndicate, Inc.

Per [signature] Title Secretary

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 872894

To be treated as a regular narrative report. Operator's final engineering report has been received. Instructions
S.W. Zoldok

BUREAU OF MINES
SEP 27 1954
SPOKANE, WASH.

September 22, 1954

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

SUPPLEMENTAL FINAL REPORT, JULY AND AUGUST, 1954

The following is a summary of the dismantling work conducted at the Talisman aproperty in Ferry County, Washington, during the months of July and August, 1954. This is under the D.M.E.A. Contract No. IDM-E 137, Docket No. 525X.

Under request of this corporation on June 21, 1954, for termination of the subject contract, by mutual agreement the same was granted, and immediate action was instituted in compliance with Article 7 of the Contract, which is quoted here for your convenience:

> 7 — "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, 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 the disposal of the items shall be for the joint account of the parties in proportion to their respective interests."

Following is a list which was used as a guidance in the removal of equipment, materials and supplies which were at the mine in which the government retains an equity: also effective date and other pertinent obligations are disclosed within the " Termination agreement" an exact copy is attached to this report on page "3".

Items of salvageable Equipment, Materials and Supplies at Talisman Mine, Contract Idm-E137
(as of July 2, 1954)

1	MH-656-2W Atlas Rock Drill, Serial #433190, with pneumatic pusher leg and hose (complete)	$ 513.00
1	Rotary grinder, Serial #422458	196.01
1	Raising Feed	216.30
2.	Duo-Therm oil heaters and tank	116.42
397'	1" pipe	53.60
401'	1½" pipe	96.41
73'	1/4" pipe	5.00
	Miscellaneous pipe fittings	30.19
1 ton	12# Rail	50.00
5	Rail Switches	108.70
30 Pr.	Splice Bars	13.29
2	Guide sheaves w/bases and shafts	63.00
1050#	Dynamite	250.95
6400'	9/16" 6 x 7 Improved Plow Steel Traction Rope with sheave clips and thimbles	1,371.96
1	Tramway bucket	254.50
2	Traction rope sheave assemblies	46.75
4000'	Fuse	53.60
5	5'-3" Sandvik Coromant Steel	90.50
	Total	$ 3,570.18
	Value of Government Equity	1,785.09

TERMINATION AGREEMENT

It is agreed this 29th day of July, 1954, between the United States of America, acting through the Department of the Interior Defense Minerals Exploration Administration, hereinafter called the "Government," and Spokane Mining Syndicate, Inc., hereinafter called The "Operator," parties to that certain Exploration Project Contract Idm-2137 (Docket No. DMA-525X), dated September 7, 1951, as amended, hereinafter called the "Contract," that:

1. Effective August 17, 1954, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. 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 (a) the preservation and disposal of property to the cost of which the Government has contributed; and (b) the making and rendering of reports and accounts.

3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (a) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

5. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

6. 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.

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

THE UNITED STATES OF AMERICA

(Signed) By G. O. Mittendorf
Executive Officer, Defense Minerals Exploration Administration Field Team, Region II

SPOKANE MINING SYNDICATE, INC.

(Signed) Henry T. Born
President

Your company has fulfilled its obligations as set forth under Article "7" receiving $986.50 from bonifide bids and acceptance of such bids has been received from the government.

Permission was granted to us by Talisman Mining and Leasing Company through their President, Henry T. Born, to remove further equipment and/or material as specified in the following copy of said letter:

"Upon the advice of our attorney, you hereby have our permission to remove your equipment from the premises of the Talisman Mine at Laurier, Washington. You also have our permission to remove the following items covered by a mortgage held by one Henry Wynstra, of St. John, Washington:

1 -210 Cu.Ft. Chicago Pneumatic Compressor (with power)
1 -105 Cu.Ft. Ingersoll Rand Compressor (with power)
2 -Drifters — 2 Stopers — 1 Jack Hammer —
1 -Slusher — 1 Kohler Light Plant — 2 Mine cars and track — miscellaneous steel, bits, tools, etc. Beds and mattresses.

(Signed) Henry T. Born, President"

From July 21 through August 21, 1954, 984 man-hours were needed to completely strip the mine property, and total labor cost amounted to $1968.00. Due to the fact that men are reluctant to accept employment on such a hazardous and isolated mining property, we were forced to furnish transportation, living quarters and meals as a further incentive in order to perform this job. Further cost to your company was near $450.00, for an approximate total of $2418.00. As of this date, tabulation of miscellaneous expenses has not been done, nor have all the invoices been received.

We were fortunate to obtain a tram operator familiar to our operation in the person of Loron Fisk, and he would have to be retained until all equipment and/or materials were so removed. Also, the water system being the last unit torn down, to obtain the pipe listed in the inventory and the government having an equity, required the employment of both tram operator and mechanic for a period of at least one month. Not every tram bucket could be loaded with material and/or equipment belonging to the government and your company, but were utilized with the other materials and equipment owned by Talisman Mining and Leasing Company as unit by unit were dismantled. By time check we arrived at 360 hours necessary to remove the property of the government and the operator. Considerable amount of hours were consumed in breaking down rail switches, pipe, etc. Under Washington Mining Safety Laws and Regulations, no less than two and at least three men must be on the hilltop property during the entire working time. Thereby we have submitted the entire time of the tram operator and mechanic and pro-rated the tram loads to balance with the 360 hours. Essence of time is also important, for foreclosure proceedings have been instituted by the holder of

the mortgage involving the personal property owned by the Talisman Mining and Leasing Company.

Royalty on concentrates due the government will be paid through the final voucher adjustments.

Respectfully submitted,

Don A. Gillis

Don A. Gillis, U.M.C.
Secretary

DAG:ba

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 2

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July & August, 1954 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Building, Spokane, Wash.
Contract Amount, $ 44,000 Government Participation: 50 % Amount, $ 22,000

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 Long Hole		60.40	60.40			
Bulldozing						
Crosscutting		2,009.00	2,009.00			
Drifting		7,449.00	7,449.00			
Raising		2,295.00	2,295.00			
(2) Labor and Supervision:						
Labor	720.00	750.00	1,470.00			
Supervision		1,312.00	1,312.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		3,058.96	3,058.96			
Pipe		225.48	225.48			
Track		224.83	224.83			
Gasoline-oil-Carbide	(98.51)	1,533.21	1,434.70			
Steel-Misc.-Supplies		3,111.00	3,111.00			
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21			
Depreciation		1,878.56	1,878.56			
(5) Initial Rehabilitation and Repairs		4,150.00	4,150.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment		1,810.66	1,810.66			
Sampling and Analysis		96.63	96.63			
Payroll Taxes						
Liability Insurance						
Tools		123.40	123.40			
Safety Supplies		22.26	22.26			
(8) Contingencies (specify):						
Tramway Maintenance		757.78	757.78			
Sale Salvageable material and/or Equipment	(986.50)		(986.50)			
TOTALS	(365.01)	32,147.68	31,782.67		32147.68	31782.67

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 4, 1954 *Payee Spokane Mining Syndicate, Inc.
Per Wm. L. Ellis Title Secretary

*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:
$ 18,050 242.48
Signature MAP
(Authorized Certifying Officer)
Date 1-13-55 Vou. No. 1403
(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/137 in accordance with the terms of the contract.

Signature 1st Webster S Anderson Title Mining Engr Date 9/28/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature 1st Stephen W Goldich Title Mining Engr Date 9/28/54

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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1955

FINAL OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July-Aug. 1954 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name SPOKANE MINING SYNDICATE, INC. Minerals Cu - Zn
Address 730 Peyton Building, 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	Ft.			15,997.72	445	35.95	500	30.00
Crosscutting	Ft.			3,990.44	111	35.95	175	30.00
Raising	Ft.			6,650 74	185	35.95	150	30.00
Shafts								
Winzes								
Drilling: ~~Cor~~Long Hole	Ft.			187.88	181	1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Dismantling		720.00		720.00				
TOTAL DISTRIBUTED COSTS		720.00		27,546.78	741 181			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107 21				
Initial Rehabilitation and Repairs				4,150.00				
New Buildings, Improvements, etc.				63.69				
Gas refund-sale salvage		(1085.01)		(1,085.01)				
able material and/or equipment		(365.01)		31,782.67				

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.

REMARKS:

Date Sept. 4-1954 Operator SPOKANE MINING SYNDICATE, INC.

Per Wm A Gillis Title Secretary

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 872894

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Stage 2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 21 1955

Month of February 195 4 Docket No. DMEA 525 Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $ 44,000.00 Government Participation: 50 % Amount, $ 22,000.00

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 Long Hole		60.40	60.40			
Bulldozing		~~2,009.00~~	~~2,009.00~~			
Crosscutting		2,009.00	2,009.00			
Drifting		7,449.00	7,449.00			
Raising		2,295.00	2,295.00			
(2) Labor and Supervision:						
Labor	110.00	640.00	750.00			
Supervision	16.00	1,296.00	1,312.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		3,058.96	3,058.96			
Pipe		225.48	225.48			
Track		224.83	224.83			
Gasoline-oil-Carbide	116.87	1,416.34	1,533.21			
Steel-Misc.-Supplies		3,111.00	3,111.00		3114.27	3114.27
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21			
Depreciation	22.90	1,855.66	1,878.56	22.90	1103.94	1126.84
(5) Initial Rehabilitation and Repairs		4,150.00	4,150.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	20.19	1,790.47	1,810.66			
Sampling and Analysis		96.63	96.63			
Payroll Taxes						
Liability Insurance						
Tools		123.40	123.40			
Safety supplies		22.26	22.26			
(8) Contingencies (specify):						
Tramway Maintenance		757.78	757.78			
Totals	285.96	31,861.72	32,147.68	285.96	31861.72	32147.68

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

Date March 6, '54 Payee SPOKANE MINING SYNDICATE, INC.

Per Von C. Gellis Title Secretary

*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:

$ 142 98

Signature MJP
(Authorized Certifying Officer)

Date 1-13-55 Vou. No. 1403
(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/137 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 3/12/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldak Title Mining Engr Date 11/15/54

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-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

Stage 2

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1954 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Zn - Cu
Address 730 Peyton 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	Ft.			15,997.72	445	35.70	500	30.00
Crosscutting	Ft.			3,990.44	111	35.70	175	30.00
Raising	Ft.	285.96	10	6,650.74	185	35.70	150	30.00
Shafts								
Winzes								
Drilling: ~~Core~~ Long Hole	Ft.			187.88	181	1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		285.96	10	26,826.78	741 181			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				4,150.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		285.96		32,147.68				

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 3/6/54 Operator SPOKANE MINING SYNDICATE, INC.

Per [signature] Title Secretary

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

March 8, 1954

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minneapolis
RECEIVED
MAR 12 1954

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

Progress Report, February, 1954

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of February, 1954. This is under the DMEA Contract No. IDM-S 137, Docket No. 525I.

Explorations: During the month the total footage amounted to 10 feet, which was distributed among the various workings as follows: This compares to the total footage of 15 feet driven during January, 1954. There was no long-hole drilling in February.

Working	Footage: Drifts	X-Cuts	Raises	Long Holes	Month	To date	Remarks
102 W. X-cut						89	
102 W.S. Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109 N. Drift						70	Stopped at 70'
109 S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
109-2 S. Raise						26	
109-1 N. Raise			~~12~~		~~12~~	12	
103 S. Drift						57	
103 S. S. Swipe						2	
103-1 S. Raise						16	
103-1 S. S. Swipe						6	
103-1 S. North Finger Raise						26	
East stub						4	
111 N. Drift						61	
111 N. S. Swipe						3	
111-1 N. Raise						12	
111-1 N. S. Swipe						5	
111 W. X-cut						12	
111 S. Int. Dr.						29	
112 S. S. Swipe						6	
114 S. Int. Dr.						22	
114 S. S. Swipe						5	
114-1 S. Int. Raise						12	
						604	

Board of Directors

	Footage					
	Drifts	X-cuts	Raises	Long-hole	Month	To Date
			Footage Forward			604
115 W. Int. X-cut						33
115 W. Int. S. Swipe						4
116 N. Int. Dr.						17
116-1 N. Int. Raise						8
117 N. Int. Dr.						33
117 N. S. Swipe-E						12
117 N. S. Swipe-W						5
117-1 N. Raise						10
117-2 N. Raise					10	10
118 W. Int. X-cut						5
						741
Long Hole No. 1						22
Long Hole No. 3						22
Long Hole No. 4						25
Long Hole No. 7						12
Long Hole No. 2						40
Long Hole No. 15						30
Long Hole No. 16						30
						181

Mine exploration pay roll was on the basis of 10 feet. This included 10 feet of raising.

Details of the February workings are shown on the attached map No. T-1, which is to date of March 1, 1954. February footage is shown in the 117-2 N. raise. The relation of the various fault blocks is shown.

117-2 N. Raise: The raise is located on the east wall of 117 N. drift, directly within the face. It was driven up on a 20° slope for a distance of 10 feet at the end of the month. Face of the raise had 3 feet of good copper ore and zinc. However, at the distance of 10 feet the ore pinched down.

Mine Exploration: The 117-2 N raise was the only exploration work accomplished during the month. Over-all, approximately 62 hours were required to complete the 2-round raise.

Mine Production: With the exception of February 10th to the 21st, inclusive, mining was carried on rather persistently. Roughly 500 tons of ore were broken and 135 tons of this amount has already been crushed and conveyed to the fine ore bin at the mill. Following tabulation shows the break-down of hours: Mucking 68; breaking boulders 14; drilling 45; hoisting supplies 8; building shute 42; shoveling snow 16; slushing 40; installing pipe line 4; prospecting for ore 4; repairing track 24; tramming from mine and to mill bins 68; blasting mine bunkers 4; repair water pump 3; mechanical work 4; blacksmith 4; repair shute 4 -- for a total of 372 man hours.

Mill: Mr. Vernon Moar, for the past few months, has been acting as a watchman, and Mr. Beaty, the company supervisor, made minor repairs to the river pumps and prepared the crusher and mill for operation.

General: Weather moderated considerably, and working conditions were satisfactory. After a consultation between members of the D.M.S.A. and Mr. W. A. Richelsen, E. M., the company's Consulting Mining Engineer, and A. B. Hall, the mine foreman, it was deemed advisable to do at least 450 feet of diamond drilling.

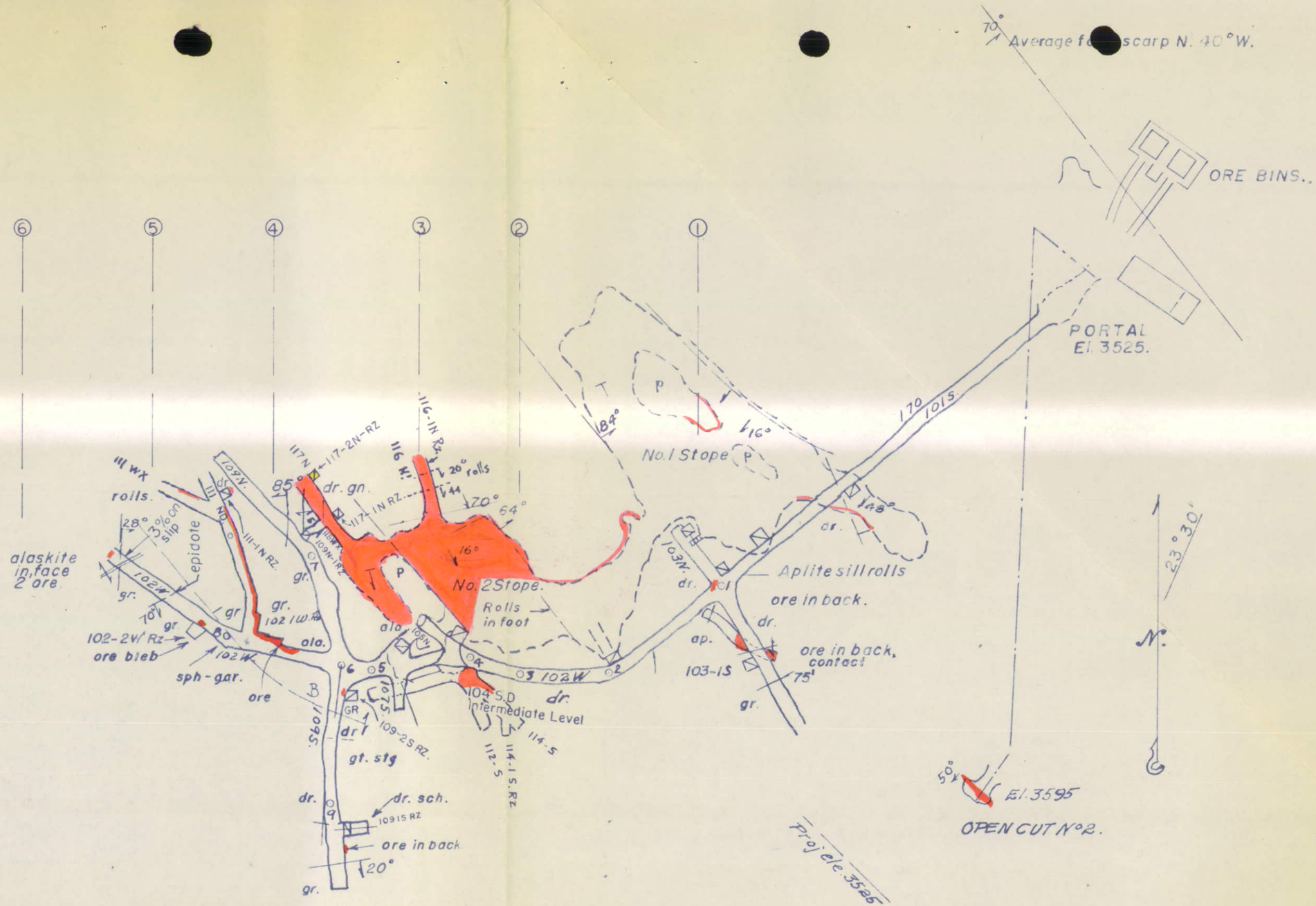
Mr. A. B. Hall, on February 9, 1954, had a minor accident to his right eye, from falling rock while working on a shute in 109 N drift. Being without a foreman, the three men working under him took time out until Mr. Hall could return to the job, which was on February 22, 1954.

Conclusions: Due to such a close margin of return from any shipment of crude ore, it was decided to mill the ore now in the fine bin and endeavor to ship a car of concentrates to help defray expenses.

Respectfully submitted,

Don A. Gillis

Don A. Gillis, D. M. S.
Secretary



Ore
Advance

PLAN OF
TUNNEL No 1
TALISMAN PROPERTY
FERRY COUNTY, WASHINGTON
Scale 1" = 40' July 9, 1952.
By W. A. Richelsen Drawing No T-1
Traced By Lee Eller
To Date MAR 1 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

Form MF-104 (Rev.) (Apr. 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

Stage 2

Month of January, 1954 Docket No. DMEA 525X Contract No. IDM-S-137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu-Zn

Address 730 Payton Bldg., Spokane, Washington

Contract Amount, $ 44,000 Government Participation: 50 % Amount, $ 22,000

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 Long Hole		60.40	60.40			
Bulldozing						
Crosscutting		2,009.00	2,009.00			
Drifting		7,449.00	7,449.00			
Raising		2,295.00	2,295.00			
(2) Labor and Supervision:						
Labor	789.20	744.40	1,533.60	300.00		
Supervision		1,296.00	1,296.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		106.61	106.61			
Explosives	41.41	3,017.55	3,050.96	41.41		
Pipe		225.46	225.46			
Track		224.83	224.83			
Gasoline-oil-carbide	88.22	1,328.12	1,416.34	88.22		
Steel-Misc.-Supplies	94.77	2,979.25	3,074.02	131.75		
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21			
Depreciation	114.50	1,741.16	1,855.66	114.50		
(5) Initial Rehabilitation and Repairs		4,150.00	4,150.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	51.20	1,739.27	1,790.47	51.20		
Sampling and Analysis		96.63	96.63			
Payroll Taxes						
Liability Insurance						
Tools		123.40	123.40			
Safety Supplies	36.98	22.26	59.24	—		
(8) Contingencies (specify): Tramway Maintenance		757.78	757.78			
TOTALS	1216.28	31,539.04	32,755.32	727.08	31134.64	31861.72

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

Date 2/8/54 *Payee Spokane Mining Syndicate, Inc.

Per Wm. G. Gillis Title Secretary

*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:

$ 363.54

Signature (Authorized Certifying Officer)

Date 3/3/54 Vou. No. 1100

(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 1 3 7 in accordance with the terms of the contract.

Signature /S/ Herbert S. Anderson Title Mining Eng. Date 2/25/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Eng. Date 2/25/54

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

Stage II

Month of January 1954 Docket No. DMEA 525X Contract No. IDM-E 137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu-Zn

Address 730 Peyton Bldg., 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.	395.05	5	16,644.49	449	37.07	500	30.00
Crosscutting	Ft.			4,114.78	111	37.07	175	30.00
Raising	Ft.	790.09	10	6,487.27	175	37.07	150	30.00
Shafts								
Winzes								
Drilling: Core Long Hole	Ft.	31.14	30	187.88		1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
			15		735			
TOTAL DISTRIBUTED COSTS		1216.28	30	27,434.42	181			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				4,150.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		1216.28		32,755.32				

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.

REMARKS:

Date 2/8/54 Operator Spokane Mining Syndicate, Inc.

Per [signature] Title Secretary

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

February 8, 1954

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

Progress Report, January, 1954

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of January, 1954. This is under the DMEA Contract No. IDM-E 137, Docket No. 525X.

Exploration: During the month the total footage amounted to 15 feet, which was distributed among the various workings as follows: This compares to the total footage of 17 feet driven during December, 1953. There was 30 feet of long-hole drilling done in January.

	Footage						
Working	Drifts	X-Cuts	Raises	Long Holes	Month	To date	Remarks
102 W. X-Cut						89	
102 W.S. Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109 N. Drift						70	Stopped at 70'
109 S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
109-2 S. Raise						26	
109-1 N. Raise			12		12	12	
103 S. Drift						57	
103 S. S. Swipe						2	
103-1 S. Raise						16	
103-1 S. S. Swipe						6	
103-1 S. North Finger Rz.						26	
East Stub						4	
111 N. Drift						61	
111 N. S. Swipe						3	
111-1 N. Raise						12	
111-1 N. S. Swipe						5	
111 W. X-cut						12	
111 S. Int. Dr.						29	
112 S. S. Swipe						6	
114 S. Int. Dr.						22	
114 S. S. Swipe						5	
114-1 S. Int. Rz.						12	
						604	

	Footage					
	Drifts	X-Cuts	Raises	Long-Hole	Month	To Date
			Footage Forward			604
115 W. Int. X-Cut						33
115 W. Int. S. Swipe						4
116 N. Int. Dr.						17
116-1 N. Int. Rz.						8
117 N. Int. Dr.						33
117 N. S. Swipe-E			(5' at 1/3)		1	12
117 N. S. Swipe-W						5
117-1 N. Raise					10	10
118 W. Int. X-Cut					10	5
119 N. S. Swipe E.			(12' at 1/3)		4	4
						735
Long Hole No. 1						22
Long Hole No. 3						22
Long Hole No. 4						25
Long Hole No. 7						12
Long Hole No. 2						40
Long Hole No. 15						30
Long Hole No. 16						30
						181

Pay roll was on the basis of 15 feet. This included 10 feet of raising and 5 feet of side-swipe.

Details of the January workings are shown on the attached map No. T-1, which is to date of Jan. 31, 1954. January footage is shown in the 117-1 N. raise and 119-N. side swipe-E. The relation of the various fault blocks is shown.

117-1 N. Raise: The raise is located on the East wall of 117 N. drift, 15 feet southeast of the face and directly opposite of the 118W Crosscut, which has a through passway to the 109-1 N. Raise. It was driven up on a 20° slope for a distance of 10 feet at the end of the month. Face of the raise had 3 feet of good copper ore and zinc. However, at the distance of .10 feet the ore pinched down to only 3 inches.

117-N S. Swipe-E. A 5-foot side swipe was made before starting the 117-1 N. raise, in order to square over to get into the ore.

119 N. S. Swipe-E: Two 6-foot side swipes were made on the high point 65 feet southeast of the face of 116 N. Drift. This was done to test out the footwall with the possibilities of starting a drift to be numbered 119 N. and to be driven in the general direction of 116 N. Drift. Ore exposed revealed a downward dip and therefore drift temporarily abandoned.

Long Hole #16: This hole is located 13 feet east of U.S.G.S. Station Number 196 and Station number 6, established by W. A. Richelsen, E.M.,

Consulting Mining Engineer for the Company. It is on the north side of 102 W Crosscut and within a short stub drift 105 N, and was carried in on a bearing of approximately N. 12° W and a plus slope of 5°. From collar of hole o' the chalcopyrite showings were 2'-5'-7' and 12', but from this point to 30 feet the showings nil.

General: During the period of operation, from January 3 to 18 inclusive, 1954, 452 man-hours were consumed. Quoting directly from the foreman's report - "84 hours were necessary to drill 117-1 N Raise, 117 N. S. Swipe-E, 119 N.S. Swipe-E and Long Hole #16; 76 hours were required to muck out. Slushing operation needed 63 hours of work. Breaking up large blocks from blasting hand sledge and dynamite took 27 hours; tramming ore to bunkers, from mine and then down to coarse ore bin at the mill, needed 48 hours. Hoisting supplies, gas, oil via the tram required 16 hours. Much needed track, air and water line repairs used up 64 hours. Trip to Spokane and return to replace parts burned out in Kohler Lighting Plant used 10 hours. Mechanical repair to the lighting plant and other equipment required 44 hours. Timber work in closing off air shaft used up 12 hours. Time necessary to pump water was 8 hours.

Weather was severe, with 20° below zero and an approximately 45-mile an hour chill wind. Men could not work every day underground so returned to their respective homes until weather moderated.

There were no accidents during the month.

Conclusions: It is recommended in the interest of an exploration program and in line with the financial income of this Corporation to do the following work as suggested by A. B. Hall, your foreman:

1. Beginning at the 119 N. S. Swipe-E as shown on Map T-1 to date of January 31, 1954, and in keeping with the footwall contour in the north between Stope #2 and Stope #1 and following an approximate N 60 E direction, side swipe the entire distance of at least 60 feet, thereby exposing the fringing ore. This area lies between a slip with a dip of 64° northeast and a major fault with a dip of 84° to the northeast. Apparently the ore dips towars the northeast.

2. At an exposure of sufficient width and a reasonable distance from the major fault, which striked through 103 N and 103 S drifts, drive a 5' x 7' drift to follow the ore.

Respectfully submitted

Don A. Gillis

Don A. Gillis
Secretary for the Company
and Mineral Surveyor

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

STAGE 2

Month of December 195 3 Docket No. DMEA 525X Contract No. IDM-E 137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn.
Address 730 Peyton Bldg., Spokane, Washington
Contract Amount, $ 44,000.00 Government Participation: 50 % Amount, $ 22,000.00

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 Long Hole		60.40	60.40			
Bulldozing						
Crosscutting		2009.00	2009.00			
Drifting		7449.00	7449.00			
Raising		2295.00	2295.00			
(2) Labor and Supervision:						
Labor	744.40		744.40	340.00		
Supervision	64.00	1232.00	1296.00	64.00		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		3017.55	3017.55			
Pipe		225.48	225.48			
Track		224.83	224.83			
Gasoline-Oil-Carbide	8.91	1319.21	1328.12	8.91		
Steel-Misc.-Supplies		2979.25	2979.25			
(4) Operating Equipment:						
Rental		~~1107.21~~	~~1107.21~~			
Purchase		1107.21	1107.21			
Depreciation	114.50	1626.66	1741.16	114.50		
(5) Initial Rehabilitation and Repairs		4150.00	4150.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	52.77	1686.50	1739.27	52.77		
Sampling and Analysis	4.00	92.63	96.63	4.00		
Payroll Taxes						
Liability Insurance						
Tools		123.40	123.40			
Safety Supplies		22.26	22.26			
(8) Contingencies (specify):						
Tramway Maintenance	.96	756.82	757.78	.96		
TOTALS	989.54	30549.50	31539.04	585.14	30549.50	31134.64

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Jan. 12, 1954 Payee Spokane Mining Syndicate, Inc.
Per Wm A Ellis Title Secretary

*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:

$ 292.57

Signature
(Authorized Certifying Officer)

Date 3/3/54 Vou. No. 1100
(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. E127 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 2/16/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 2/18/54

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

STAGE 2

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 1953 Docket No. DMEA 525X Contract No. IDM-E 137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Zn - Cu

Address 730 Peyton 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	Ft.	291.00	5	16,071.20	444	36.20	500	30.00
Crosscutting	Ft			4,017.80	111	36.20	175	30.00
Raising	Ft.	698.40	12	5,972.40	165	36.20	150	30.00
Shafts								
Winzes								
Drilling ~~xxx~~ Long Hole	Ft.			156.74	151	1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		989.40	17	26,218.14	720 151			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				4,150.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		989.40		31,539.04				

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.

REMARKS:

Date Jan. 12, 1954 Operator Spokane Mining Syndicate, Inc.

Per Norman Gellar Title Secretary

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

January 12, 1954

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

Progress Report, December, 1953

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of December, 1953. This is under the DMEA Contract No. IDM-E 137, Docket No. 525X.

Exploration: During the month the total footage amounted to 17 feet, which was distributed among the various workings as follows: This compares to the total footage of 14 feet driven during July, 1953. There was no long-hole drilling done in December.

	Footage						
Working	Drifts	X-Cuts	Raises	Long Holes	Month	To Date	Remarks
102 W. X-Cut						89	
102 W.S. Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109 N. Drift						70	Stopped at 70'
109 S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
109-2 S. Raise						26	
109-1 N. Raise			12		12	12	
103 S. Drift						57	
103 S. S. Swipe						2	
103-1 S. Raise						16	
103-1 S. S. Swipe						6	
103-1 S. North Finger Rz.						26	
East Stub						4	
111 N. Drift						61	
111 N. S. Swipe						3	
111-1 N. Raise						12	
111-1 N. S. Swipe						5	
111 W. X-cut						12	
111 S. Int. Dr.						29	
112 S.S. Swipe						6	
114 S. Int. Dr.						22	
114 S. S. Swipe						5	
114-1 S. Int. Rz.						12	
						604	

Starting to Sleep

e No. 1	22
e No. 3	22
e No. 4	25
e No. 7	12
e No. 2	40
e No. 15	30
	151

	Footage					
	Drifts	X-Cuts	Raises	Long-Hole	Month	To Date
			To Footage Forward		12	604
115 W. Int. X-cut						33
115 W. Int. S. Swipe						4
116 N. Int. Dr.						17
116-1 N. Int. Rz.						8
117 N. Int. Dr.						33
117 N. S. Swipe-E			(10' at 1/3)		3	11
117 N. S. Swipe-W			(5' at 1/3)		2	5
118 W. Int. X-Cut						5
					17	720

Pay roll was on the basis of 17 feet. This included 12 feet of raising and 5 feet of side-swipe.

Details of the December workings are shown on the attached map No. T-1, which is to date of Dec. 31, 1953. December footage is shown in the 109-1 N. raise and 117 N. side swipes. The relation of the various fault blocks is shown.

The 117 N. Side Swipes: Fifteen feet southeast from the face of the 117 N. Int. Drift two 5-foot side-swipes were made on the east wall of the drift. A grab sample containing about 12 pounds was taken along the two side swipes. Results of the assay by Wm. H. Stowell and Company, assayers, at Spokane, Washington, were: Zinc 2-1/10%; copper 8-9/10%; silver 1-4/10 oz.; and totaled $58.86 per ton. Opposite these two side-swipes or west wall, another 5-foot side-swipe was made. Select sample of distinct chalcopyrite-bearing ore from the swipe assayed: Copper, 17-7/10% and 2-2/10 ounces of silver, for a total of $108.18 per ton. good

The 109-1 N. Raise: Slope is approximately 75° and was driven up for two rounds, in which the foreman, A. B. Hall, said was 12 feet. Good ore of mill-feed character was observed from the muck from the raise. Location of this raise as shown on attached map is 47 feet Southeast of the face of drift 109 N and driven up from the east side.

General: During the period of operation, from December 10 to 31, 1953, 424 man-hours were consumed. Quoting directly from the foreman's report, 72 hours were necessary to winterize equipment previously drained from shut-down. Ninety-six hours required to drill side swipes in 117-N. Drift and remove muck; 48 hours used in drilling and mucking out 109-1 N. raise; slushing operation needed 54 hours of work, which included pumping water. Breaking up large blocks from blasting by sledge took 30 hours; tramming ore to bunkers and them down to mill bins needed 32 hours. Mechanical repair to equipment used up 18 hours. Hoisting supplies, gas, oil via the tram required 52 hours. Taking out the back of 117-North drift in preparation to raise used twelve hours; and ten hours were necessary in the

long-hole sludge drilling not completed in this month.

Mr. H. E. Beely, your company's supervisor, was at the mine December 9, 10, 11, 12 to see to it that operation would start without unnedessary delays.

<u>Conclusion:</u> Management deemed it advisable to ship a car or two of crude copper ore, to help defray expenses.

Respectfully submitted

Don A. Gillis

Don A. Gillis
Secretary for the Company and
Mineral surveyor.

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

1201 N. Division St.
Spokane 2, Washington
February 25, 1954

MAR 5 - 1954

Mr. Henry T. Born, President
Spokane Mining Syndicate
730 Peyton Building
Spokane 8, Washington

Re: Docket No. DMEA 525 (copper-zinc)
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Born:

Reference is made to your December 1953 and January 1954 forms MF-104.

As you know, the mine labor at the Talisman mine was contracted at $15.00 per foot prior to December 1953. In your letter of September 21, 1953 to the Field Team you requested that this rate be increased to $20.00 per foot. This request was denied in the Field Team's answering letter dated September 25, as it was felt that your request was not justified since the going rate was $8.00 to $10.00 per foot.

Although the $30.00 per foot for drifting and crosscutting and $25.00 per foot for raising are estimates only and, according to the terms of the contract, can be exceeded to the extent that the Government may approve, we believe that your labor costs of $43.79 per foot for December 1953 and $52.61 per foot for January 1954 are excessive.

We are cognisant of the difficulties and costs attendant to small, isolated exploration projects and are willing to make an adjustment in view of the fact that the project was reactivated during the winter at some added expense.

After careful consideration of all factors involved at your project we have set a labor cost of $20.00 per foot as the maximum that the Government will participate in. Consequently, we are deleting from your December and January vouchers all labor costs exceeding $20.00 per foot. We are also deleting the 4 feet of advance claimed in your January voucher and designated as 119 N.S. Swipe E. This item is considered mining in No. 2 stope and not exploration.

The deletions for excess labor costs may be claimed in a subsequent voucher provided that you submit acceptable evidence that the excess cost was a necessary and reasonable cost of performing the exploration.

By Field Team, Region II

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

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

cc: DMEA, Wash. (2)
USGS (2)
Certifying Officer
DMEA
WSA
Mdf

WGA/SWZ/TEH/he

SPOKANE MINING SYNDICATE, INC.

730 Peyton Building
Spokane 1, Washington

December 8, 1953

Board of Directors
Spokane Mining Syndicate, Inc.
Spokane 1, Washington

PROGRESS REPORT - NOVEMBER, 1953

Following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of November, 1953. This is under the D.M.E.A. contract No. IDM-137 Docket, No. 525X.

Exploration: During the month, no footage was accomplished, as there was no crew at the mine. Forms MF 104 and 104A will not be submitted, due to the trivial amount expended, but will be entered in the December voucher, because exploration at the mine is being resumed.

Milling Operations: The mill did not operate during the month. All milling equipment required to be drained has been done. Pipeline to pumps in Kettle River has also been drained.

General: On November 20th to the 25th, inclusive, the writer in company of Mr. Beaty, the general manager, visited the property, and in so doing made minor repairs and carried on a thorough study of the problems confronting our mine exploration program. As of this date, the former contractor, A.B. Hall, has returned to the mine in company of two miners, to complete our D.M.E.A. Contract under a pay roll system.

Conclusions: The entire staff seems to have confidence that the exploration program will go forward and the financial situation will be relieved as metal prices improve.

Respectfully submitted

Don A. Gillis

Don A. Gillis
Secretary for the Company
and Mineral Surveyor

Fm-E137

W

SPOKANE MINING SYNDICATE, INC.

730 Peyton Building
Spokane 8, Washington

November 10, 1953

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

PROGRESS REPORT - OCTOBER, 1953

Following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of October, 1953. This is under the D.M.E.A. Contract No. IDM-137 Docket, No. 525X.

EXPLORATION: During the month no footage was accomplished. Forms MF 104 and 104A will not be submitted, due to the trivial amount expended, but will be entered in the November report, if and when the exploration at the mine is resumed.

MILLING OPERATIONS: The mill operated during the month on the 15th only and the performance was satisfactory. Mr. H. E. Besly and the writer assisted Mr. Vernon Hoar, the mill superintendent, in making the eight-hour run.

On the 16th we also set up the conveyor and loaded the gondola with the copper concentrates for shipment to the American Smelting and Refining Co., at Tacoma, Washington. Results of the car shipment will be available in the November report.

GENERAL: October 17th Mr. Besly and Mr. Gillis made the trip to the mine, over the steep winding trail, because the tram is locked and there is no crew at the property. Due to the depressed metal market, sale of shares has been extremely slow. This being the source of financial aid to keep the mine in operation, a united effort of the management to try and keep going is our paramount aim. Contractor A. B. Hall has professed a willingness to return to the mine and help complete our objective in producing concentrates to sell and produce revenue.

CONCLUSIONS: Our staff has contributed considerable time and effort without remuneration. Therefore, when metal prices improve, the mine and mill should be on a paying basis.

Respectfully submitted,

Don A. Gillis

Don A. Gillis
Secretary for the Company
and Mineral Surveyor

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

Wash

OPERATOR'S MONTHLY REPORT AND VOUCHER Stage 2

Month of August, 1953 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu Zn
Address 730 Peyton Bldg., Spokane, Washington
Contract Amount, $44,000.00 Government Participation: 50% Amount, $22,000.00

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 Contractors: Short Form						
Long Hole Drilling		60.40	60.40			
Bulldozing						
Crosscutting		2,009.00	2,009.00			
Drifting		7,449.00	7,449.00			
Raising		2,295.00	2,295.00			
(2) Labor and Supervision:						
Labor						
* Supervision	352.00	1,232.00	1,584.00	-0-	1232.00	1232.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		3,017.55	3,017.55			
Pipe	.24	225.24	225.48	.24		
Track		224.83	224.83			
Gasoline-Oil-Carbide	11.49	1,307.72	1,319.21	11.49		
Steel-Misc.-Supplies		2,979.25	2,979.25			
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21			
* Depreciation	114.50	1,626.66	1,741.16	-0-	1626.66	1626.66
(5) Initial Rehabilitation and Repairs	1476.47	2,673.18	4,149.65	1476.82	2673.18	4150.00
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment		1,686.50	1,686.50			
Sampling and Analysis		92.63	92.63			
Payroll Taxes						
Liability Insurance						
Tools	49.09	74.31	123.40			
Safety Supplies		22.26	22.26			
(8) Contingencies (specify): Tramway Maintenance		756.82	756.82			
TOTALS	2003.79	29,011.86	31,015.65	1537.64	29,011.86	30549.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 4-'53 *Payee SPOKANE MINING SYNDICATE, INC.
Per Von L. Gillis Title Secretary

*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:

$ 768.82

Signature [illegible]
(Authorized Certifying Officer)

Date 9/18/53 Vou. No. 910
(See other side)

* These costs chargeable to repair of tramway. Field team is holding operator to max of $1900.00 on last repair.

(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. 137 in accordance with the terms of the contract.

Signature S/ W. S. Anderson Title M. Eng. Date 9/14/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ P. E. Howard Title M. Eng. Date 9/14/53

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 25 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT Stage 2

Month of August 1953 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu Zn
Address 730 Peyton 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	Ft.			15,947.85	439	36.33	500	30.00
Crosscutting	Ft.			4,032.37	111	36.33	175	30.00
Raising	Ft.			5,558 14	153	36.33	150	30.00
Shafts								
Winzes								
Drilling: Core Lng. Hole	Ft.			156.74	151	1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		527.32		25,695.10	703 151			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs		1476.47		4,149.65				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		2003.79		31,015.65				

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.

REMARKS:

Date Sept. 4, 1953 Operator Spokane Mining Syndicate, Inc.

Per [signature] Title Secretary

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

September 8, 1953

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

PROGRESS REPORT - AUGUST, 1953

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of August, 1953. This is under the D.M.E.A. Contract No. IDM-E-137, Docket No. 525X.

EXPLORATION: During the month no footage was accomplished.

MILLING OPERATIONS: The mill operated during the month on the 15th, 17th, 18th and 19th, consuming 75.36 tons of ore. Assays made at Wm. H. Stowell and Co., at Spokane, Washington, show the mill heads running close to 5% or better combined metals of copper and zinc. Tests are to be made by Mr. S. P. Moyer, capable metallurgist who has had a wide experience in the field of lead-zinc concentration. Certain reagents will be used to determine their suitability as silica depressants. Also, we intend to acquaint our mill superintendent with the latest and newest in proven reagents.

TRAMWAY: The entire month was required to complete the task of installing 6400 feet of new 9/16" 6 x 7 improved plow steel cable. Four coils of 3/8" pilot cable, weighing 200 lbs. each, were flown in by Roy Shreck, of Shreck Air Transport, from the Colville Airport, in four trips requiring five flying hours. One by one the drop was made successfully at a designated spot near upper tower.

Unavoidable delay was experienced, as pilot cable was not free near edge of shear cliff. Mr. Besly, a member of the corporation staff, crawled close to the cliff, releasing the cable to descend to the bottom. More cable was required to reach lower tower, and 5/8" cable was used to complete the distance. Entire distance was drug by hand.

New 38" C.I. Sheave was transported to upper terminal by horse pack.

Operation of drawing new haulage cable to the upper tower was slow process, due to slusher being underpowered with air. Both ore buckets have been completely repaired and installed.

Two new sheave bearings were installed. All split timbers were reinforced or replaced by new ones. Fifteen times or more during this repair operation, men had to ascend the steep winding trail, which takes at least two hours or more.

GENERAL: Five hundred ninety (590) man-hours were required during August to practically complete the tramway repair job.

Weather was very warm.

On August 4th, Loron Fisk slipped backwards into a surface cut, which resulted in a fracture of the tibia and fibula bones joining the right ankle.

John Sims passed away August 28, 1953, in a hospital at Grandforks, British Columbia, Canada. Coronary condition of the heart resulted in his untimely death. With his passing, your company has lost a devoted vice president and general manager. He had most admirable ability in the field of mining. He and his association with us will not be forgotten.

CONCLUSION: The exploration program should be pushed without delay and the small-scale mining operation continued while present copper prices hold and weather is pleasant.

Don A. Gillis
Secretary for the Company
and
Mineral Surveyor

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

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

Wash

Stage 1

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

Month of May, 1953 Docket No. DMEA Contract No. IDM-E-137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu-Zn

Address 730 Peyton Bldg., Spokane, Washington

Contract Amount, $44,000.00 Government Participation: 50% Amount, $22,000.00

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 Long Hole		60.40	60.40			
Bulldozing						
Crosscutting		1,934.00	1,934.00			
Drifting	660.00	6,234.00	6,894.00			
Raising	120.00	2,175.00	2,295.00			
(2) Labor and Supervision:						
Labor						
Supervision	96.00	896.00	992.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		2,447.03	2,447.03			
Pipe	4.47	220.77	225.24			
Track		224.83	224.83			
Gasoline-Oil-Carbide	130.79	988.67	1,119.46			
Steel-Misc.-Supplies	149.31	2,362.04	2,511.35			
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21			
Depreciation	114.50	1,283.16	1,397.66			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	60.08	1,568.99	1,629.07			
Sampling and Analysis		92.63	92.63			
Payroll Taxes						
Liability Insurance						
Tools		70.65	70.65			
Safety Supplies		22.26	22.26			
(8) Contingencies (specify):						
Tram way Maint.	118.80	605.02	723.82			
TOTALS	1453.95	24,714.96	26,168.91	1453.95	24714.96	26168.91

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

Date June 10, '53 Payee SPOKANE MINING SYNDICATE, INC.

Per H. E. Besly Title Assistant Secretary

*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 Staith, 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:

$726.98

Signature (Authorized Certifying Officer)

Date 6/25/53 Vou. No. 806

(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 137 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 6/19/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 6/19/53

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-134A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 1

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name SPOKANE MINING SYNDICATE, INC. Minerals Cu-Zn
Address 730 Peyton Bldg., 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.	1230.27	44	13,739.32	402	34.18	500	30.00
Crosscutting	Ft.			3,622.81	106	34.18	175	30.00
Raising	Ft.	223.68	8	5,229.14	153	34.18	150	30.00
Shafts								
Winzes								
Drilling: Core Sludge								
Churn Long Hole	Ft.			156.74	151	1.038		1.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1453.95	52	22,748.01	661			TOTAL COSTS AUTHORIZED BY CONTRACT
					151			
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		1453.95		26,168.91				

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.

REMARKS:

Date June 10, 1953 Operator SPOKANE MINING SYNDICATE, INC.

Per H. E. Beasley Title Assistant Secretary

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

Walter A. Richelsen
709 Central Building
Seattle 4, Washington

June 13, 1953

Mr. Henry T. Born
Spokane Mining Syndicate, Inc.,
730 Peyton Building
Spokane 8, Washington

Progress Report- May, 1953

Dear Sir:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of May, 1953. This is under the DMEA Contract No. IDM-E 137, Docket No. 525X.

Exploration: During the month the total advance amounted to 52 feet which was distributed among the various workings as follows: This compares to the total footage of 39 feet driven during April, 1953.

Working	Footage: Drifts	X-Cuts	Raises	Long Holes	Month	To Date	Remarks
102 W. X-Cut						89	
102 W. S.Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109 N. Drift						70	Stopped at 70'
109 S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
109-2 S. Raise						26	
103 S. Drift						57	
103 S. S.Swipe						2	
103-1 S. Raise						16	
103-1 S. S.Swipe						6	
103-1 S. North Finger Rz						26	
East Stub						4	
111 N. Drift						61	
111 N. S.Swipe						3	
111-1 N. Raise						12	
111-1 N. S.Swipe						5	
111 W. X-Cut						12	
112 S. Int. Dr.						29	
112 S. S.Swipe						6	
114 S. Int. Dr.						22	
114 S. S.Swipe						5	
114-1 S. Int. Rz						12	
115 W. Int. X-Cut		13			13	26	
116 N. Int. Dr.	13				13	17	
116-1 N. Int. Rz			8		8	8	
117 N. Int. Dr.	18				18	18	
	31	13	8		52	661	

Mr. Henry T. Born June 13, 1953

Working	Footage						Remarks
	Drifts	X-Cuts	Raises	Long Holes	Month	To Date	
Long Hole No. 1						22	
Long Hole No. 3						22	
Long Hole No. 4						25	
Long Hole No. 7						12	
Long Hole No. 2						40	
Long Hole No. 15						30	
						151	

Contract footage was paid on the basis of 52 feet.

Details of the workings are shown on the attached Map No. T-1 which is to date of June 6, 1953. May footage is shown in the 115 W. Int. X-Cut, the 116 N. Int. Drift, the 116-1 N. Int. Raise and the 117 N. Int. Drift. The relation of the various fault blocks have been shown. These are designated as Blocks Nos. 1 to 6.

The 115 W. Int. X-Cut was advanced for an additional 13 feet or a total of 26 feet. It is on a bearing of S.75°W. and follows an oxidized shear zone in a semi granite with slight mineralization. This may connect up with the showing at the collar of the 109-2 S. Raise. It will be holed into the raise about 16 feet above the floor of the 109 S. Drift.

The 116 N. Int. Drift was advanced for a distance of 13 feet or a total of 17 feet. Chalcopyrite ore everaging about 5% copper was exposed for a distance of 8 feet up to an east-west fracture. This had a dip of 44° and rolled toward the north and eased off to a dip of 20° near the face. The ore continued along the roll and was followed up by the 116-1 N. Int. Raise. The floor of the Intermediate is about 27 feet above the floor of the 102 W. X-Cut.

The 116-1 N. Int. Raise was driven from the face of the 116 N. Int. Drift on a bearing of N.18°W. and a slope of 53°. It was advanced for a distance of 8 feet and cut through about 18 inches of chalcopyrite ore. The face still has some ore and is in a semi granite as compared to the mixture of granite and diorite in the 116 N. Int. Drift. It is 33 feet above the floor of the 102 W. X-Cut.

The 117 N. Int. Drift was started from the west end of No. 2 Stope and carried in on a bearing of N.42°W. for a total distance of 18 feet. It shows 2 1/2 feet of chalcopyrite ore for the entire length with an estimated copper content of about 6%. Above this lies 2 feet of sphalerite ore which should average around 4% zinc. The face showed 4 1/2 feet of combined ores and this should increase as the working is advanced. It is in diorite and semi granite and is about 19 feet above the floor of the 102 W. X-Cut.

Mr. Henry T. Born June 13, 1953

Foot wall mining was continued in No. 2 Stope in Block No. 3. This was on both sides of the pillar and in front of the 116 N. and 117 N. Int. drifts. There is probably 150 tons of broken ore which should run about 4 1/2% combined metal content with 1 1/2% copper and 3% zinc. A total of 125 tons was mined from the stope during the month. Most of this came from the 116 N. and the 112 S. Int. areas. Work during the month has been encouraging and the stopes are in good condition from a mining standpoint.

The horizon of Block No. 3 has been considered in a broad way. There has been a slight displacement northwest of the pillar as the contacts in the 116 N. and 117 N. Int. drifts do not check very closely. It has a downward displacement in relation to Block No. 4. Similarly, Block No. 5 lies below Block No. 4 and also Block No. 3. Indications are that the diorite schist- granite contact lies further toward the north in Block No. 5. A strong northwest shear at the face of the 102 W. X-Cut indicates the possibility of another fault block designated as Block No. 6.

Recommendations: Work in the 115 W. Int. X-Cut should be continued and the working holed to the 109-2 S. Raise.

The 117 N. Int. Drift should be continued following the ore until the contact is reached and the trend determined. It should then be connected with the 111-1 N. Raise.

The 111 N. Drift should be extended another 30 feet to test out the contact and ore horizon in Block No. 5. It should be swung about 10° toward the west.

The 102 W. X-Cut should be extended another 30 feet to explore Block No. 6. It should be swung about 10° toward the west.

The 109-1 N. Raise should be driven up about 4 rounds to explore the ore in the foot-wall of the No. 2 Stope.

Milling Operations: The mill operated intermittently on a single shift basis throughout the month for a total of 10 days or 73 operating hours. A total of 125 tons was milled at the rate of 12.5 tons per shift or 1.7 tons per hour. This compares with the rate of 15.4 tons per shift in April. The decrease was due to a lack of ore.

Mill heads were estimated at 4.5% combined metal content with 3% zinc and 1.5% copper. Milling operations have been improved and recovery is estimated at 87%. The concentration ratio is about 15 to 1. Reagents used amounted to 5.1 lbs. per ton of ore milled.

A carload of zinc concentrates was shipped to the smelter at Kellogg, Idaho, on May 25th. Copper concentrates on hand in the mill bins are estimated at 24 wet tons, averaging 22.0% copper, 5.5% lead, 5.4% zinc and 26.74 ounces of silver per ton.

Mr. Henry T. Born June 13, 1953

General: Weather conditions were satisfactory throughout the month. A total of 6 days were lost which included 2 days on the tramway for repairing the tower at the Upper Terminal and taking additional slack out of the stationary and traction cables. 4 days were lost in miscellaneous hoisting of supplies and material.

Mr. J. Sims and H. Besley visited the property several times during the month. W. A. Richelsen was at the property on May 5th and 6th.

There were no accidents during the month.

Yours very truly,

W. A. Richelsen
Consulting Engineer

WAR:r

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

Stage 1

Month of April 1953 Docket No. DMEA 525X Contract No. IDM-E-137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn

Address 730 Peyton Bldg., Spokane, Washington

Contract Amount, $ 44,000.00 Government Participation: 50 % Amount, $ 22,000.00

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: Long Hole		60.40	60.40			
Drilling						
Bulldozing						
Crosscutting		1,934.00	1,934.00			
Drifting	255.00	5,979.00	6,234.00			
Raising	330.00	1,845.00	2,175.00			
(2) Labor and Supervision:						
Labor						
Supervision	112.00	784.00	896.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives	518.30	1,928.73	2,447.03			
Pipe		220.77	220.77			
Track		224.83	224.83			
Gasoline-oil-Carbide	93.87	894.80	988.67			
Steel-Misc.-Supplies	49.97	2,312.07	2,362.04			
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21			
Depreciation	114.50	1,168.66	1,283.16			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	46.20	1,522.79	1,568.99			
Sampling and Analysis		92.63	92.63			
Payroll Taxes						
Liability Insurance						
Tools		70.65	70.65			
Safety Supplies		22.26	22.26			
(8) Contingencies (specify): Tramway Maint.	469.23	135.79	605.02			
TOTALS	1989.07	22,725.89	24,714.96	1989.07	22,725.89	24,714.96

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

Date April 11-'53 Payee Spokane Mining Syndicate, Inc

Per W. E. Beely Title Assistant Secretary

*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:

$ 994.54

Signature (Authorized Certifying Officer)

Date 5/29/53 Vou. No. 769

(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. 137 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr Date 5/19/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 5/19/53

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 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

Stage 1

Month of April 195 3 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton 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	Ft	867.03	17	12,425.55	358	34.71		30.00
Crosscutting	Ft			3,679.07	106	34.71		30.00
Raising	Ft	1122.04	22	5,032.70	145	34.71		30.00
Shafts								
Winzes								
Drilling: Core Sludge								
Churn Long Hole	Ft			156.74	151	1.038		1.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1989.07	39	22,294.06	609 151			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		1989.07		24,714.96				

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.

REMARKS:

Date Apr. 11, '53 Operator Spokane Mining Syndicate, Inc.

Per H. C. Beerly Title Asst. Secretary

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

Walter A. Richelson
709 Central Building
Seattle 4, Washington

May 11, 1953

Mr. Henry T. Born
Spokane Mining Syndicate, Inc.,
730 Peyton Building
Spokane 8, Washington

Progress Report- April, 1953

Dear Sir:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of April, 1953. This is under the DMEA Contract No. IDM-E 137, Docket No. 525X.

Exploration: During the month the total advance amounted to 39 feet which was distributed among the various workings as follows: This compares to the total footage of 61 feet driven in March, 1953. There was no long-hole drilling done in April.

Working	Footage: Drifts	X-Cuts	Raises	Long Holes	Month	To Date	Remarks
102 W. X-Cut						89	
102 W. S.Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109 N. Drift						70	Stopped at 70'
109 S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
109-2 S. Raise						26	
103 S. Drift						57	
103 S. S.Swipe						2	
103-1 S. Raise						16	
103-1 S. S.Swipe						6	
103-1 S. North Finger Rz			10		10	26	
East Stub						4	
111 W. Drift						61	
111 N. S.Swipe						3	
111-1 N. Raise						12	
111-1 N. S.Swipe						5	
111 W. X-Cut						12	
112 S. Int. Dr.						29	
112 S. S.Swipe						6	
114 S. Int. Dr.						22	
114 S. S.Swipe						5	
114-1 S. Int. Rz			12		12	12	
115 W. Int. X-Cut		13			13	13	
116 N. Int. Dr.	4				4	4	
	4	13	22		39	609	

Working	Footage Drifts	X-Cuts	Raises	Long Holes	Month	To Date	Remarks
Long Hole No. 1						22	
Long Hole No. 3						22	
Long Hole No. 4						25	
Long Hole No. 7						12	
Long Hole No. 2						40	
Long Hole No. 15						30	
						151	

Contract footage was paid on the basis of 39 feet. There was no side-swipe allowed.

Details of the workings are shown on the attached Map No. T-1 which is to date of May 6, 1953. April footage is shown in the 103-1 S. North Finger Raise, the 114-1 S. Int. Raise, the 115 W. Int. X-Cut and the 116 N. Int. Drift. 10 feet of side-swipe was made along the west side of the 111 N. Drift in mining operations.

The 103-1 S. North Finger Raise was advanced for a distance of 10 feet. The face was in granite and about 26 feet above the floor of the 103 S. Drift. It showed little evidence of mineralization.

The 114-1 S. Int. Raise was started 7 feet back from the face of the 114 S. Int. Drift and was driven up on a course of S.07°E. with a slope of 59° for a total distance of 12 feet. The face was in granite and showed very little mineralization. It is 20 feet above the floor of the Intermediate and about 35 feet above the floor of the 102 W. X-Cut.

The 115 W. Int. X-Cut was started from the 112 S. Int. Drift about 16 feet in from the brow of the No. 2 Stope. It was carried on a bearing of S.75°W. for a distance of 13 feet and is in granite. There was a little mineralization near the shoulder and the ground is oxidized and fractured at the face. The working should be advanced.

The 116 N. Int. Drift was started on the north wall of the No. 2 Stope just east of the pillar. It was driven in on a bearing of N.18°W. for a distance of 4 feet and is 27 feet above the floor of the 102 W. X-Cut. The working is in a mixed granite and showed a little chalcopyrite back from the shoulder. This is an extension of the ore in the foot-wall of the No. 2 Stope.

Foot-wall sniping was started in the floor of the No. 2 Stope. About 5 feet of waste was encountered just south of the pillar and good chalcopyrite came it. This was about 15 feet wide with a thickness of 3 to 4 feet and extended back toward the north for about 20 feet as shown on Map No. T-1. The estimated copper content ran from 5 to 12% and about 100 tons were taken from this area. Additional tonnage came from the 111 N. Drift and the 112 and 114 Intermediate south drifts.

Mr. Henry T. Born May 11, 1953

Recommendations: Work in the 111-1 N. Raise should be continued another 4 rounds as recommended in the March report.

The 115 N. Int. X-Cut should be continued another 3 or 4 rounds to test out the ore showings over the 107 S. Drift.

The 116 N. Int. Drift should be continued into the north stope wall for another 5 rounds and follow the ore exposed in the stope.

The 117 S. Int. Drift should start from point J and go in for 6 or 7 rounds as recommended in the March report.

Stoping operations should continue in the No. 2 Stope as discussed with Mr. Hall. Some stoping should be done along the west wall to test out the extension of the ore.

Repairs should be made on the tower at the Upper Tram Terminal.

Milling Operations: During the month the mill operated on a single shift basis for a total of 13 days. During this time 200 tons of ore were milled with an average of 15.4 tons per shift. The heads were estimated at 4.5% combined metal content with 1.5% copper and 3% zinc. Total concentrates on hand amount to 59 tons. This includes 37 tons of zinc concentrates averaging 48% zinc and 3.2 ounces of silver per ton, based on pipe sampling, and 22 tons of copper concentrates averaging 22.0% copper, 5.5% lead, 5.4% zinc and 26.76 ounces of silver per ton, based on smelter assays.

The gross value of concentrates based on copper at 29.7¢ and zinc at 11¢ per pound and silver at 90¢ per ounce, and excluding loading, freight and smelter charges amounts to $7,410. This includes $4,010 on zinc and $3,400 on copper concentrates. Net profit is estimated at 65% or about $4,817.

General: Weather conditions were satisfactory throughout the month. A total of 8 days were lost including a shutdown of 1 day on the 9th to take out the slack in the stationary and traction cables, 5 days from the 17th to the 23rd, to replace the head sheave at the Upper Tram Terminal, and 2 days on the 27th and 28th due to a trip to Colville.

Mr. Sims visited the property several times during the month and supervised taking the slack out of the cables and installing the head sheave.

There were no accidents during the month.

Yours very truly,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:r

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.

Stage 1

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1953 Docket No. DMEA 525X Contract No. IDM-E137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn

Address 730 Peyton Bldg., Spokane, Washington

Contract Amount, $44,000 Government Participation: 50 % Amount, $22,000

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:						M
Drilling Long Hole		60.40	60.40			
Bulldozing						
Crosscutting	$ -0-	$ 1,934.00	$ 1,934.00			
Drifting	495.00	5,484.00	5,979.00			
Raising	420.00	1,425.00	1,845.00			
(2) Labor and Supervision:						
Labor						
Supervision	32.00	752.00	784.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		1,928.73	1,928.73			
Pipe	12.74	208.03	220.77			
Track		224.83	224.83			
Gasoline-oil-carbide	7.62	887.18	894.80			
Steel-Misc.-Supplies	141,26	2,170.81	2,312.07	141.26	2170.81	2312.07
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21		1107.21	1107.21
Depreciation	114.50	1,054.16	1,168.66			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	271.75	1,251.04	1,522.79			
Sampling and Analysis		92.63	92.63			
Payroll Taxes						
Liability Insurance						
Tools	1.44	69.21	70.65			
Safety Supplies		22.26	22.26			
(8) Contingencies (specify):						
Tramway Maint.	94.28	41.51	135.79			
TOTALS $	1590.59	21,135.30	22,725.89	1590.59	21135.30	22725.89

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

Date Apr. 9-53 *Payee SPOKANE MINING SYNDICATE, INC.

Per [signature] Title Secretary

*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:

$795-30

Signature [signature] (Authorized Certifying Officer)

Date 4/15/53 Vou. No. 725

(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-137 in accordance with the terms of the contract.

Signature /s/ Webster S. Anderson Title Mining Engr Date 4/13/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr Date 4/13/53

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 1

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 1953 Docket No. DMEA 525X Contract No. IDM-E-137

Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn

Address 730 Peyton Bldg., 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.	860.48	33	11,455.36	341	33.59		30.00
Crosscutting	Ft.			3,560.90	106	33.59		30.00
Raising	Ft.	730.11	28	4,131.99	123	33.59		30.00
Shafts								
Winzes								
Drilling: Core Sludge Churn Long Hole Auger	Ft.			156.74	151	1.038		1.00
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1590.59	61	19,304.99	570 151			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		1590.59		22,725.89				

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.

REMARKS:

Date Apr. 9, 1953 Operator SPOKANE MINING SYNDICATE, INC.

Per [signature] Title Secretary

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

Walter A. Nichelsen
709 Central Building
Seattle 4, Washington

April 7, 1953

Mr. Henry T. Born
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 8, Washington

Progress Report- March, 1953

Dear Sir:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of March, 1953. This is under the DMEA Contract No. IDM-E 137, Docket No. 525X.

Exploration: During the month the total footage amounted to 61 feet which was distributed among the various workings as follows: This compares to the total footage of 60 feet driven in February, 1953. There was no long-hole drilling done in March.

Working	Footage: Drifts	X-Cuts	Raises	Long Holes	Month	To Date	Remarks
102 W. X-Cut						89	
102 W. S.Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109 N. Drift						70	Stopped at 70'
109 S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
109-2 S. Raise						26	
103 S. Drift						57	
103 S. S.Swipe						2	
103-1 S. Raise						16	
103-1 S. S.Swipe						6	
103-1 S. North Finger Rz.			16		16	16	
East Stub		4			4	4	
111 N. Drift						61	
111 N. S.Swipe						3	
111-1 N. Raise			3		3	12	
111-1 N. S.Swipe			5 (14' at 1/3)		5	5	
111 W. X-Cut						12	
112 S. Dr. Int.	(Old 104 Int. L.)					29	
112 S. S.Swipe	6 (11' at 1/2)				6	6	
114 S. Dr. Int.	22				22	22	
114 S. S.Swipe	5 (15' at 1/3)				5	5	
	33	4	24		61	570	

Mr. Henry T. Born April 7, 1953

Working	Footage: Drifts	X-Cuts	Raises	Long Holes	Month	To Date	Remarks
Long Hole No. 1						22	
Long Hole No. 3						22	
Long Hole No. 4						25	
Long Hole No. 7						12	
Long Hole No. 2						40	
Long Hole No. 15						30	
						151	

Contract footage was paid on the basis of 61 feet. This included 45 feet advance and 16 feet of side-swipe.

Details of the workings are shown on the attached Map No. T-1 which is to date of March 31, 1953. March footage is shown in the 103-1S. Raise, 111-1 N. Raise, 112 S. Int. Drift and the 114 S. Int. Drift.

The 103-1S. North Finger Raise started at the head block and was on a bearing of N.42°W., with a slope of 35° and a slope distance of 21.4 feet. The face is about 18 feet above the top of rail in the 103 S. Drift. Diorite occurred at 10 feet back from the face carrying some chalcopyrite. Copper content is estimated at 2%. The face was in granite and had a little mineralization.

The East Stub came off the raise on a bearing of S.72°E. and was in for a distance of 4 feet. The face carried a little sphalerite. It is about 11 feet above the top of rail in the 103 S. Drift.

The 111-1N. Raise was started in the 111 N. Drift about 55 feet in-by from Sta. 10 in the 102 W. X-Cut. It was driven up on a bearing of N.73°E., on a slope of 31°20' with a slope distance of 12 feet. The advance in March amounted to 3 feet with an additional side-swipe of 7 feet on the side and also in the foot. The allowed footage was 5 feet. The face is about 12 feet above the floor of the 111 N. Drift and is in granite with a little sphalerite.

The 112 S. Inter. Drift is the old 104 N. S. Drift. It is in for a total distance of 29 feet and mostly in diorite. Chalcopyrite occurred in the foot and walls but this cut out in the last round. The working started on a bearing of S.3°E. and then swung to S.20°E. 11 feet of side-swipe was made in taking up bottom with an allowed footage of 6 feet.

The 114 S. Inter. Drift was started from the 112 S. Inter. about 20 feet in from the brow of the stope. It was carried in on a bearing of S.47°E. for an advance of 22 feet. 9 feet of side-swipe was made in starting with an additional 6 feet at the face. The allowed footage was 5 feet. The working is about 13 feet above the floor of the 102 W. X-Cut and in diorite. There was scattered chalcopyrite that cut out and came in again at the face.

Mr. Henry T. Dorn April 7, 1953

Recommendations: Work in the 111-N. Raise should be continued, doubling back over the 109 N. Drift and levelling off on an intermediate if necessary. To improve ventilation a raise could be driven up from the 109 N. Drift holing into the foot of the 111-N. Raise.

Work should be continued in the North Finger Raise of the 103-N Raise. Eventually this may hole into the No. 2 Stope toward the northwest.

Ore in the face of the 114 S. Inter. Drift should be followed by side-swiping or a short raise.

A short intermediate stub drift should be run in from No. 1 Stope about 25 feet southeast from the 103 N. tramway. This should start from point J and run about S.30°E. for about 25 feet. It would cut the small zinc showing exposed in Long Hole No. 15 and may open up a piece of good ground.

The 111 N. Drift is in a down faulted block of ground and it may be advisable to extend the drift toward the northwest until the diorite contact is reached.

Slack should be taken up on both the stationary and traction cables on the tramway.

Milling Operations: The mill operated on a reduced tonnage and milled about 138 tons. Mill feed was mine run muck which came from the exploration headings and was lower than expected. The average heads ran 0.7 copper and 2.1% zinc. Mill concentrates are computed at 9 tons of copper-lead concentrate averaging 15.6% copper, 4.5% lead with 30.2 ounces of silver per ton, and 25 tons of zinc concentrate averaging 48.0% zinc with 3.2 ounces of silver per ton. The grade was determined by pipe sampling.

General: Weather conditions were satisfactory throughout the month and there were no serious delays. 3 days were required for hoisting supplies and 2 days were lost around March 15th.

Mr. John Sims visited the property several times and government engineers made an inspection on March 13th. W. A. Richelsen was at the property on March 30 and 31.

The only accident was an eye injury received by Loron Fisk which resulted in a loss of about 2 days.

Yours very truly,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:r

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

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

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

Stage 1

Month of February 1953 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $44,000 Government Participation: ____% Amount, $22,000

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 Contractors: Short Form						
Drilling Long-Hole	28.00	32.40	60.40			
Bulldozing						
Crosscutting	180.00	1,754.00	1,934.00			
Drifting	480.00	5,004.00	5,484.00			
Raising	240.00	1,185.00	1,425.00			
(2) Labor and Supervision:						
Labor						
Supervision	64.00	688.00	752.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives		1,928.73	1,928.73			
Pipe	43.82	164.21	208.03			
Track	13.29	211.54	224.83			
Gasoline-oil-carbide	149.72	785.30	935.02	101.88	785.30	887.18
Steel-Misc.-Supplies	182.27	1,988.54	2,170.81	182.27	1991.81	2174.08
(4) Operating Equipment:						
Rental						
Purchase		1,107.21	1,107.21		1103.94	1103.94
Depreciation	114.50	939.66	1,054.16			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	158.56	1,092.48	1,251.04			
Sampling and Analysis	37.00	55.63	92.63			
Payroll Taxes						
Liability Insurance						
Tools	7.42	61.79	69.21			
Safety Supplies	12.88	9.38	22.26			
(8) Contingencies (specify):						
Tramway Maint.	38.27	3.24	41.51			
Cr.Memo -Fuel Tax Refund	(-47.84)		(- 47.84	-0-		-0-
TOTALS	1701.89	19,433.41	21,135.30	1701.89	19433.41	21135.30

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

Date Mar. 6-53 *Payee SPOKANE MINING SYNDICATE, INC.

Per Wm. C. Gillis Title Secretary

*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:

$ 850 94

Signature ____ (Authorized Certifying Officer)

Date 3/11/53 Vou. No. 690

(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-137 in accordance with the terms of the contract.

Signature /s/ Elwin A Magill Title Mining Engr Date 3/10/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 3/10/53

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.

DEPARTMENT OF INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 1

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 195 3 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name SPOKANE MINING SYNDICATE, INC. Minerals Cu - Zn
Address 730 Peyton 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	Ft	868.92	32	10,624.28	308	34.49	500	30.00
Crosscutting	Ft	325.85	12	3,656.40	106	34.49	175	30.00
Raising	Ft	434.46	16	3,276.98	95	34.49	150	30.00
Shafts								
Winzes								
Drilling: Core Sludge								
Churn Long Hole	Ft	72.66	70	156.74	151	1.038		1.00
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
			60		509			
TOTAL DISTRIBUTED COSTS		1701.89	70	17,714.40	151			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				1,107.21				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		1701.89		21,135.30				

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.

REMARKS:

Date Mar. 6, 1953 Operator SPOKANE MINING SYNDICATE, INC.

Per [signature] Title Secretary

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

SPOKANE MINING SYNDICATE, INC.

730 Peyton Building
Spokane 1, Washington

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

Progress Report - February, 1953

Gentlemen:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of February, 1953. This is under the D.M.E.A. Contract No. IDM-E 137, Docket No. 525I.

Exploration: During the month, the total advance amounted to 60 feet of raising, drifting, and side-swiping, plus additional 70 feet of long hole sludge drilling.

Sixty feet of raising, drifting and side-swiping, together with 70 feet of long hole sludge drilling, was distributed among the various workings as follows -- this compares to an advance of 50 feet driven during January, 1953; together with 81 feet of long hole sludge drilling completed during this same month.

Workings	Drifts	X-Cuts	Raises	Long Hole	Month	To Date	Remarks
102-W.X-Cut						89 Ft.	
102-W.S.Swipe						5	
102-1 W. Raise						15	
102-2 W. Raise						6	
109- N. Drift						70	Stopped at 70'
109- S. Drift						86	Stopped at 86'
109-1 S. Raise						17	
103- S. Drift						57	
103- S. S.Swipe						2	
103-1 S. Raise						16	
103-1 S. S.Swipe			6(18' at 1/3)		6	6	
111- N. Drift						61	
111- N. S.Swipe	3(9' at 1/3)				3	3	
111-1 N. Raise						9	
111- W. X-Cut		12			12	12	
109-2 S. Raise			10		10	26	
104-I.L. S.Drift	29				29	29	
	29 Ft.	12 Ft.	16 Ft.		60 Ft.	500 Ft.	
Long Hole #1						22	
Long Hole #3						22	
Long Hole #4						25	
Long Hole #7						12	
Long Hole #2				40	40	40	
Long Hole #16				30	30	30	
				70 Ft.	70 Ft.	151 Ft.	

Contract footage was paid on the basis of 60 feet advance, together with 70 feet of long-hole (sludge) drilling.

Details of the workings are shown on the attached map No. T-1, which is to date March 1, 1953. February footage is shown in the 103-1 S. S. Swipe, 111-N. S. Swipe, 111- W. X-cut, 109-2 S. Raise, 104-IL S. Drift, together with long-holes #2, 13, which are projected in the horizontal plane with drilling angles, plus or minus, affixed to the same map.

103-1 S. S. Swipe — First side swipe was approximately 4 feet above floor of raise for a width of 6 feet on west wall. Second side swipe was close to top of 16 foot raise for a width of 6 feet on west wall. Third side swipe was opposite of number two or east wall, for a width of 6 feet. Observation of the rock taken from these three blasts showed ore that could be classified as mill feed character.

111-N. S. Swipe — Previous report for January, 1953, under subject "111 N. Drift" explains this side swipe in factual detail. It is entered only for payment of footage and was not mucked out until February 2, 1953.

111-W X-Cut — is located 12 feet from U.S.G.S. last established station by Harold Kirkness in the north end of 111 N. Drift. This tunnel hereto referred to as a crosscut is almost parallel to 102 W. X-Cut tunnel. Identical to 111 N. S. Swipe, the crosscut was carried in on an approximate bearing of N 60° W, for a distance of 12 feet. Close to the floor of the tunnel a bedding layer of ore containing noticeable amounts of chalcopyrite were exposed on the first round, and another round the face was against a slip. However, the third round revealed mineralized material.

104-IL S. Drift — This 5' x 7' drift started with the lip of the steel shute, which is N 20° W and a distance of 7 feet from Station #4 in the 102 W Cx tunnel and carried up and over the 102 W Cx tunnel sufficient vertical distance in order not to weaken roof of the tunnel. Approximate bearing was S60E for a distance of 23 feet and last round turned a few minutes to the east for 6 feet, for a total of 29 feet ending the month. Within the bedding floor of the drift, approximately 3 feet of promising looking chalcopyrite was revealed in the face. Physical examination of the upper portion of the face shows vein material of mill feed character. Further drifting will determine if the ore body is of major importance. Several samples were taken, but it is too early to calculate the value of the metalic contents.

NOTATION: I.L. means Intermediate Level.

109-2 S. Raise is located at #7 Long Hole and was carried up on a slope of approximately 64° for a distance of 16 feet and showed indications of mineralization in the face during January. This

raise was advanced another 10 feet for a total distance of 26 feet with a slight weak mineralization evident in the face.

Long Hole #2 — This hole is located 11 feet west from last station U.S.G.S., established by Harold Kirkemo, on the south side of 102 W. CX tunnel and was carried in on a bearing of approximately S 50° W, and a plus slope of 5° from collar of hole 0' to 20' sludge samples rejected for assay by Kirkemo; 20' to 25' sludge assayed 1/10 zn., no copper, no pb., no ag; 25' to 30', zn nq, cu nq, pb nq, ag trace; 30' to 35', zn nq, cu nq, pb nq; 35' to 40', zn 4/10, cu nq, pb nq, ag nq.
Ag Trace

Long Hole #15 — This hole is located 12 feet south from Station #1 in 102 W CX tunnel on the east side of 103 S. Drift and was carried in on a bearing of approximately N 80° E, and a plus slope of 60°. From collar of hole 0' to 12' sludge assayed: zn nq, cu nq, pb nq, ag trace; 12' to 20' sludge sample rejected by Kirkemo; 20' to 25' sludge assayed: zn 2 1/10, cu nq, pb nq, ag .2; 25' to 30' zn 2 6/10, cu nq, pb trace, ag nq.

General — Weather and operating conditions were satisfactory. Bearing on south, traveling cable brake sheave for the tramway had to be repaired, causing a loss of 16 hours. Mine water pumps, lighting plant, 210 C.F.M. compressor engine, and Swede machine required mechanical attention, entailing further loss of 56 hours operating time. Supplies hoisted via the tram required an additional 44 hours.

Your 75-ton flotation plant has successfully operated during the last part of February, milling about 15 tons on one-shift basis. An exceptional copper concentrate is slowly filling the bins. However, it must be pointed out and stressed further that the milling operation is a strenuous financial burden; in fact, is top-heavy without aid of at least a $20,000 loan to weather the period before returns from the smelters.

The mine was visited February 28, 1953, to make a preliminary examination and footage check. Present were John Sims, manager, and H. C. Dealy, assistant secretary.

There were no accidents during the month.

Don A. Gillis
Secretary for the Company and
Mineral Surveyor

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

Stage 1

Month of January, 1953 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals cu - zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $ 44,000 Government Participation: 50 % Amount, $ 22,000

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 Long Hole	32.40		32.40			
Bulldozing						
Crosscutting		1,754.00	1,754.00			
Drifting	375.00	4,629.00	5,004.00			
Raising	375.00	810.00	1,185.00			
(2) Labor and Supervision:						
Labor						
Supervision	48.00	640.00	688.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		108.61	108.61			
Explosives	96.72	1,832.01	1,928.73			
Pipe	43.33	120.88	164.21			
Track		211.54	211.54			
Gasoline-oil-carbide	94.84	690.46	785.30			
Steel-Misc. Supplies	585.14	1,403.40	1,988.54	588.41	1403.40	1991.81
(4) Operating Equipment:						
Rental						
Purchase	3.27	1,103.94	1,107.21		1103.94	1103.94
Depreciation	114.50	825.16	939.66			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.		63.69	63.69			
(7) Miscellaneous:						
Repairs to Equipment	100.89	991.59	1,092.48			
Sampling and Analysis	48.63	7.00	55.63			
Payroll Taxes						
Liability Insurance						
Tools	7.67	54.12	61.79			
Safety Supplies		9.38	9.38			
(8) Contingencies (specify):						
Tramway Maint.		3.24	3.24			
	1925.39	17,508.02	19,433.41			
TOTALS				1925.39	17508.02	19433.41

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

Date Feb. 5-1953 Payee Spokane Mining Syndicate, Inc.

Per [signature] Title Secretary

*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:

$ 962.70

Signature [signature]
(Authorized Certifying Officer)

Date 2/18/53 Vou. No. 671
(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 137 in accordance with the terms of the contract.

Signature /S/ Webster S Anderson Title Mining Engr. Date 7/16/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Engr Date 7/16/53

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-134A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 1

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 3 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu — Zn
Address 730 Peyton 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	Ft.	919.02	25	9,791.20	276	$35.48	500	$ 30.00
Crosscutting	Ft.			3,334.68	94	35.48	175	30.00
Raising	Ft.	919.02	25	2,802.55	79	35.48	150	30.00
Shafts								
Winzes								
Drilling: Sludge Long Hole	Ft.	84.08	81	84.08	81	1.038		1.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1922.12	50 81	16,012.51	449 81			TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		3.27		1,107.21				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.				63.69				
TOTAL COSTS		1925.39		19,433.41				

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.

REMARKS:

Date Feb. 5, 1953 Operator Spokane Mining Syndicate, Inc.

Per Wm. A. Gillis Title Secretary

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

SPOKANE MINING SYNDICATE, INC.
730 Peyton Building
Spokane 1, Washington

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

PROGRESS REPORT — JANUARY, 1953

Gentlemen:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of January, 1953. This is under the D.M.E.A. Contract No. IDM-E 137, Docket No. 525X.

Exploration: During the month the total advance amounted to 50 feet of raising and drifting, plus additional 81 feet of long-hole sludge drilling, performed under a mining contract effective January 1, 1953, with the independent contractor, Alfred Bertrum Hall. The mining contract, signed and so executed by proper authorities, is attached to original copy handed to the Defense Mineral Exploration Administration. Amendment No. 5 to your D.M.E.A. Contract IDM-E 137 states the effective date for this program of long-hole drilling shall be December 1, 1952.

Fifty feet of raising and drifting, together with 81 feet of long-hole sludge drilling, was distributed among the various workings as follows — this compares to an advance of 54 feet driven during December, 1952:

Workings	Drifts	X-Cuts	RRises	Long Hole	Month to Date	Remarks
102-W. X-Cut					89 Ft.	
102-W. S. Swipe					5	
102-1 W. Raise					15	
102-2 W. Raise					6	
109- N Drift					70	Stopped at 70'
109- S Drift					86	Stopped at 86'
109-1 S. Raise					17	
103- S. Drift					57	
103- S. S.Swipe					2	
103-1 S. Raise					16	
111- N. Drift	25			25	61	
111-1 W. Raise			9	9	9	
109-2 S. Raise			16	16	16	
			25 Ft.	50 Ft.	449 Ft.	
Long Hole #1			22	22	22 Ft.	
Long Hole #3			22	22	22	
Long Hole #4			25	25	25	
Long Hole #7			12	12	12	
			81	81	81 Ft.	

Contract footage was paid on the basis of 50 feet advance, together with 81 feet of long-hole (sludge) drilling.

Details of the workings are shown on the attached map, No. 1-T, which is to date February 1, 1953. January footage is shown in the 111 N. drift, 111-1 N. Raise, 109-2 S. Raise, together with long-holes #1, #3, #4, and #7, which are projected in the horizontal plane with drilling angles, plus or minus, affixed to the same map.

111 N. Drift was advanced 25 feet on a bearing of approximately N. 22° W. At a point on west side of drift, approximately 30 feet N.W. of 102-1 W. Raise, Contractor Hall drilled a flat 7 feet hole, with the liner on an approximate bearing N. 27° W. Results of this charge were at least 18 mine cars of ore. Grab sample on west, where sidecut was made, gave assay return for Pb., Zn, and Ag only, showed 3-2/10 Pb., 18-8/10 Zn., 10.4 oz. Ag. Another grab sample from the footwall on the east side of drift run only for Cu and Ag gave returns of 4 6/10 Cu. and 2.8 oz. ag.

111-1 N. Raise is 10 feet south of the 111 N. drift face and was carried two rounds on an approximate slope of 60°, and showed mineralization in each round.

109-2 S. Raise is located at #7 Long Hole and was carried up on a slope of approximately 70° for a distance of 16 feet and showed indications of mineralization in the face.

Long Hole #1

This hole is located 80 feet from Station #6 by Walter A. Richelsen, on the northeast side of 102 W. CX tunnel and was carried in on a bearing of approximately N 33° E., and a plus slope of 67°. From collar of hole 0' to 5' sludge assayed 0.8 Zn, 0.03 Cu, 0.45 Pb.; 5 ft. to 10 ft., 1-9/16 Zn, No Cu., no Pb., no Ag; 10 to 15 feet, Zn. 9/16%, Cu, no, pb. no; 15' to 22 feet, rejected for assay by Kirkemo

Long Hole #3

This hole is located 9 feet from U.S.B.M. #196 on west wall of 109 S drift and was carried in on a bearing of approximately S 71° W. and a plus slope of 5°. Hole stopped at 22 feet. Assay samples from 0' to 22' were observed by Kirkemo and rejected for assay.

Long Hole #4

This hole is located identical to Station #4 by W. A. Richelsen, E.M., on south side of 102 W. addit level and was carried in on a bearing of approximately S 22° E and a plus slope of 40°. From collar of hole 0' to 10', sludge assayed 5/10% zn., Cu, no; pb, trace; Ag, no. From 10' to 15', 9/10 Zn., Cu no, Pb no, Ag 2/10 oz.; 15' to 20', 1-4/10% Zn., 4/10% Cu., Pb. 5/10%, Ag 6-2/10 oz.; 20' to 25', 8/10% Zn., Cu, 1-1/10%, Pb. 1-2/10%, Ag 8-2/10 oz.

Long Hole #7

This hole is located identical to N.S. B.M. #196, on southeast wall of 102 W. adit tunnel level and was carried in on a bearing of approximately S. 33° E. and a plus slope of 60°. Hole was stopped at 12 feet and indications of the metalic content warranted a raise at this point, referred to in this report as 109-2 Raise.

General

Weather and operating conditions were satisfactory. Three days were lost due to needed repairs on 210 Cfm. compressor engine brought in to the Washington Machinery at Spokane, January 3, 4, 5, 11, 12, 15, 19, 20, 23, 26, 28, and 29. Several hours of these days were required to hoist supplies and materials.

In order to progress profitably, a small scale mining of ore should and Must be pushed. Your concentrating plant has two experienced millmen and mill in working condition.

Don A. Gillis, in company with your new assistant secretary, H. E. Bealy, visited the property February 1, 1953, and made a preliminary examination and footage check at the mine. Mr. Bealy has been associated in mining operations for 15 years.

There were no accidents during the month.

Don A. Gillis

Don A. Gillis
Secretary for the Company and
Mineral surveyor

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
FEB 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER Stage 1

Month of December 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Bldg., Spokane, Washington
Contract Amount, $ 44,000 Government Participation: 50 % Amount, $ 22,000

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		1,754.00	1,754.00			
Drifting	660.00	3,969.00	4,629.00			
Raising	150.00	660.00	810.00			
(2) Labor and Supervision:						
Labor						
Supervision	64.00	576.00	640.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	3.09	105.52	108.61			
Explosives	500.73	1,331.28	1,832.01			
Pipe	5.48	115.40	120.88			
Track	25.01	186.53	211.54			
Gasoline-oil-carbide	104.95	585.51	690.46			
Steel-Misc.supplies	153.62	1,249.78	1,403.40			
(4) Operating Equipment:						
Rental		1095.77	1,232.79			
Purchase	137.02	966.92	1,103.94			
Depreciation	114.50	710.66	825.16			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.	63.69		63.69			
(7) Miscellaneous:						
Repairs to Equipment	69.10	922.49	991.59			
Sampling and Analysis		7.00	7.00			
Payroll Taxes						
Liability Insurance						
Tools	13.70	40.42	54.12			
Safety Supplies		9.38	9.38			
(8) Contingencies (specify):						
Tramway Maint.		3.24	3.24			
TOTALS	2064.89	15,443.13	17,508.02	2064.89	15443.13	17508.02

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

Date Jan. 14, 1953 *Payee Spokane Mining Syndicate, Inc.

Per Wm. G. Gillis Title Secretary

*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:

1032.45

$ 1032 45

Signature (Authorized Certifying Officer)

Date 1/26/53 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/37 in accordance with the terms of the contract.

Signature /s/ Webster S Anderson Title Mining Eng Date 1/22/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Elwin A Magill Title Mining Engr Date 1/22/53

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Stage 1

Month of December 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals cu - zn
Address 730 Peyton 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	Ft.	1518.96	44	8,863.88	251	35.31	500	30.00
Crosscutting	Ft.			3,319.54	94	35.31	175	30.00
Raising	Ft.	345.22	10	1,906.97	54	35.31	150	30.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1864.18	54	14,090.39	399		TOTAL COSTS AUTHORIZED BY CONTRACT	
Operating Equipment Purchased		137.02		1,103.94				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.		63.69		63.69				
TOTAL COSTS		2064.89		17,508.02				

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.

REMARKS:

Date Jan. 14, 1953 Operator Spokane Mining Syndicate, Ic.

Per Wm C. Gillis Title Secretary

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

SPOKANE MINING SYNDICATE, INC.

730 Peyton Building
Spokane 8, Washington

Board of Directors
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 1, Washington

Progress Report - December, 1952

Gentlemen:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of December, 1952. This is under the D.M.E.A. Contract 525X.

Exploration: During the month the total advance amounted to 54 feet, which was distributed among the various workings as follows:

This compares to an advance of 49 feet driven during November, 1952.

Workings	Drifts	X-Cuts	Raises	Month to Date		Remarks
102 W. X-Cut					89	
102 W. S. Swipe					5	
102-1 W. Raise					15	
102-2 W. Raise					6	
109 N. Drift					70	Stopped at 70'
109 S. Drift					86	Stopped at 86'
109-1 S. Raise					17	
103 S. Drift	19			19	57	
103 S. S. Swipe					2	
103-1 S. Raise			10	10	16	
111 N. Drift	25			25	36	
	44		10	54	399	

Contract footage was paid on the basis of 54 feet advance.

Details of the workings are shown on the attached map No. T-1, which is to date of January 14, 1953. December footage is shown in the 103 S. Drift, 111 N. Drift, 103-1 S. Raise.

The 103 S. Drift was advanced 19 feet. Previous 38 foot advance for November was on a corrected bearing of S. 30° E. and cut into a slip, which appeared to be diorite-granite contact; occasional chalcopyrite came in on slips in the foot. (Quoted from Walter A. Richelsen's report of December 16, 1952). A. B. Hall, the mining contractor, informed the writer that he kept approximate S. 30° E bearing course, and after advancing 19 feet had a face of granite.

The 103-1 S. Raise was started in the 103 S. Drift at 32 feet in - by from Sta. 11 in the 101 S. X-cut and carried on a bearing of S. 72° W., with a slope of 45°. It was advanced for a slope distance of 6 feet and exposed ore in the back of the raise, which is on the contact with the diorite and granite. The face of the raise is in granite. (Quoted from Walter A. Richelsen's report of December 16, 1952). Contractor extended this raise 10 feet further in December, and face was still in granite.

The 111 N. Drift was started from the 102 W. X-cut at 37 feet in - by from Sta. 6 and followed in under the 102-1 W. Raise. It was carried on a bearing of No. 02° W. for a total distance of 11 feet and exposed about 6 feet of ore along the side. This consisted of sphalerite, with occasional chalcopyrite and had an estimated combined metal content of about 4% (Quoted from Walter A. Richelsen's report of December 16, 1952). This drift was extended 25 feet during December and still maintained a face of ore, according to Contractor Hall, on an approximate bearing of N. 22° W.

(12)

Intermediate level exploration is seriously being considered.

Long Hole drill steel has been delivered to the contractor from Bitco, Inc., and is powered by the Swedish machine and should be capable of reaching 40 feet. However, 25 feet seems to be efficient handling limit for the lighter machine.

Generali Weather and operating conditions were satisfactory. Period of December 3, 4, 5, 7, 9, 10, 12, 15 and 17 -- Several hours of these days were required to hoist supplies and material. Eight days were lost for the Christmas Holidays.

The concentrating mill has been run intermittently, and to date there is approximately 10 tons of concentrates.

In order to progress profitably, a small scale mining of ore and milling program should be pushed, if the Reconstruction Finance Corporation approves your application for a loan of $15,000. Your contractor has a crew lined up for mining of the ore on a three-day notice. Of course your concentrating plant has two experienced millmen.

There were no accidents during the month.

Yours very truly,

Don A. Gillis

Don A. Gillis
Secretary for the Company
and Mineral Surveyor

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

Budget Bureau No. 42-R1036.3.
Approval expires 12-31-53.

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

Stage 1952 1953

Month of November, 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals cu - zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $44,000.00 Government Participation: 50 % Amount, $22,000.00

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						
Raising	225.00	435.00	660.00			
Crosscutting		1,754.00	1,754.00			
Drifting	510.00	3,459.00	3,969.00			
Repair Equipment	57.00	335.00	392.00	—		
(2) Labor and Supervision:						
Labor						
Supervision	96.00	480.00	576.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	105.52		105.52			
Explosives	540.54	790.74	1,331.28			
Pipe	26.49	88.91	115.40			
Track		186.53	186.53			
Gasoline - Oil	149.09	436.42	585.51			
Steel-Misc. Supplies	237.53	1,012.25	1,249.78		888.40	1120.93
(4) Operating Equipment:						
Rental						
Purchase		966.92	966.92	—	1095.77	1095.77
Depreciation	114.50	596.16	710.66			
(5) Initial Rehabilitation and Repairs		2,250.00	2,250.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	48.83	481.66	530.49	105.83	816.66	922.49
Sampling and Analysis	7.00		7.00			
Payroll Taxes						
Liability Insurance						
Tools		40.42	40.42			
Safety Supplies	4.74	4.64	9.38			
(8) Contingencies (specify):						
Tramway Maint.	3.24		3.24			
TOTALS	2125.48	13,317.65	15,443.13	2125.48	13317.65	15443.13

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

Date Dec. 15, 1952 *Payee SPOKANE MINING SYNDICATE, INC.

Per Wm. G. Gillis Title Secretary

*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:
1062.74

$ 1062.74

Signature
(Authorized Certifying Officer)

Date 1/24/53 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. E137 in accordance with the terms of the contract.

Signature /s/ Eric G. Erickson Title Mining Engr. Date 12/23/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr. Date 12/23/52

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.

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Stage 1

Month of November 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu Zn
Address 730 Peyton Building, 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	Ft.	1474.82	34	7,335.72	207	35.44	500	30.00
Crosscutting	Ft.			3,331.20	94	35.44	175	30.00
Raising	Ft.	650.66	15	1,559.29	44	35.44	150	30.00
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2125.48	49	12,226.21				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				966.92				
Initial Rehabilitation and Repairs				2,250.00				
New Buildings, Improvements, etc.								
TOTAL COSTS		2125.48		15,443.13				

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.

REMARKS:

Date Dec. 18, 1952 Operator SPOKANE MINING SYNDICATE, INC.

Per Wm. C. Gillis Title Secretary

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

Walter A. Richelsen
806 Central Building
Seattle 4, Washington

December 16, 1952

Mr. Henry T. Born
Spokane Mining Syndicate, Inc.,
730 Peyton Building
Spokane 8, Washington

Progress Report- November, 1952

Dear Sir:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of November, 1952. This is under the DMEA Contract 525X.

Exploration: During the month the total advance amounted to 49 feet which was distributed among the various workings as follows: This compares to an advance of 55 feet driven during October, 1952.

Working	Footage Drifts	X-Cuts	Raises	Month	To Date	Remarks
102 W. X-Cut					89	
102 W. S. Swipe					5	
102-1W. Raise					15	
102-2W. Raise			6	6	6	
109 N. Drift					70	Stopped at 70'
109 S. Drift					86	Stopped at 86'
109-1S. Raise			3	3	17	
103 S. Drift	23			23	38	
103 S. S. Swipe					2	
103-1S. Raise			6	6	6	
111 N. Drift	11			11	11	
	34		15	49	345	

Contract footage was paid on the basis of 49 feet advance.

Details of the workings are shown on the attached Map No. T-1 which is to date of December 9, 1952. November footage is shown in the 102-2W. Raise, 109-1S. Raise, 103 S. Drift, 103-1S. Raise and the 111 N. Drift.

The 102-2W. Raise was started in the 102 W. X-Cut at 12 feet in-by from Sta. 8 and was carried on a bearing of N.58°W., with a slope of 43° and a slope distance of 6 feet. The ore showing at the collar cut out and the face was in granite with some diorite schist.

The 109-1S. Raise was carried up an additional 3 feet for a total footage of 17 feet and is still in diorite schist.

Mr. Henry T. Born December 16, 1952

The 103 S. Drift was advanced 23 feet on a corrected bearing of S.30°E. for a total footage of 38 feet. It cut into a slip which appears to be the diorite-granite contact. Occasional chalcopyrite came in on slips in the foot.

The 103-1S. Raise was started in the 103 S. Drift at 32 feet in-by from Sta. 11 in the 101 S. X-Cut and carried on a bearing of S.72°W. with a slope of 45°. It was advanced for a slope distance of 6 feet and exposed ore in the back of the raise which is on the contact with the diorite and granite. The face of the raise is in granite.

The 111 N. Drift was started from the 102 W. X-Cut at 37 feet in-by from Sta. 6 and followed in under the 102-1W. Raise. It was carried on a bearing of N.02°W. for a total distance of 11 feet and exposed about 6 feet of ore along the side. This consisted of sphalerite with occasional chalcopyrite and had an extimated combined metal content of about 4%.

Ore Reserves: There is no change in the ore reserves which are estimated at 2,800 tons with a combined metal content of about 7%.

Recommendations: The 102 W. X-Cut should be advanced for another 5 rounds.

The 102-2W. Raise should be advanced for another round.

The 111 N. Drift which is under the 102-1W. Raise should be continued and follow the ore. It would be advisable to hole into the 109 N. Drift for ventilation.

The 109-1S. Raise should be advanced another 2 rounds to test out the upper country.

The 103 S. Drift should be continued as it apparently has crossed the contact and will be in granite. Long drill holes should be put up in the back.

The 103-1S. Raise should be continued for another 3 rounds and follow the ore exposed in the back. It may be necessary to double back toward the east.

Intermediate level exploration should be started from the west wall of the No. 2 Stope and carried over toward the ore in the 111 N. Drift and the 102-1W. Raise. This should be coordinated with a small scale mining operation in other parts of the stope.

Long drill holes should be put up in both the 109 N. and 109 S. Drifts.

General: Weather and operating conditions were satisfactory but there were considerable delays. 5 days were lost during the

Mr. Henry T. Born December 16, 1952

Thanksgiving holiday. 3 days were spent in mine and surface work placing a mine door and putting windows and doors in the machine shop and compressor house and 3 days were spent in hoisting material.

W. A. Richelsen visited the property on November 15th and 16th, and Mr. John Sins inspected the property 6 times during the month.

The concentrating mill was turned over on November 13 and ran during the remainder of the month on a part time basis. Milling operations are handling about 3 tons per hour or about 24 tons per shift. Flotation reagents were tested out and zinc concentrates were produced having a zinc content ranging from 53.6% to 61.2%. Copper lead concentrates had a high of 17.4% lead, 4.2% copper and 9.2% zinc with 44.5 ounces of silver per ton.

The experimental work is progressing satisfactorily and the mill should be able to handle 75 tons per day on a 3 shift basis. At present the proposed tonnage will be maintained at 25 tons per day on a single shift. The mill will go on double shift when conditions warrant.

It is proposed to put in an oil heater in the mill to prevent freezing in the cells and concentrate bins during severe cold weather.

The tail sheave on the tramway at the Lower Terminal will be housed in for protection on snowfall.

The ends of the tramway buckets have been painted with a yellow fluorescent paint and the traction cables are also painted with a yellow marker to spot the position of the buckets. This is a distinct safety measure when operating under foggy or snowy conditions.

There were no accidents during the month.

Yours very truly,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:mb

DEPARTMENT OF THE INTERIOR
Form MF-104 (Rev. April 1952) Minerals Administration
RECEIVED
DEC 15 1952

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 1

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals cu zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $ 44,000 Government Participation: 50 % Amount, $ 22,000

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						
~~xxxxxxx~~ Raising	435.00	None	435.00			
Crosscutting	135.00	1,619.00	1,754.00			
Drifting	255.00	3,204.00	3,459.00			
Repair Equipment	27.00	335.00	362.00	—o—		
(2) Labor and Supervision:						
Labor						
Supervision	80.00	400.00	480.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	298.86	491.88	790.74			
Pipe	5.26	83.65	88.91			
Track Ties	13.29	173.24	186.53			
Gasoline-Oil-Carbide	6.18	430.24	436.42			
Steel-Misc. Supplies	475.45	536.80	1,012.25			
(4) Operating Equipment:						
Rental						
Purchase	219.90	747.02	966.92			
Depreciation	114.50	481.66	596.16			
(5) Initial Rehabilitation and Repairs	295.43	1,981.83	2,277.26	268.17		
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	35.76	445.90	481.66			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Tools	29.14	11.28	40.42			
Safety Supplies	4.64	None	4.64			
(8) Contingencies (specify):						
TOTALS	2430.41	10,941.50	13,371.91	2376.15	10941.50	13317.65

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

Date Nov. 15, 1952 Payee Spokane Mining Syndicate

Per Wm. C. Gellis Title Secretary

*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:

1188 07

$ 1188 07

Signature [illegible]
(Authorized Certifying Officer)

Date 12/5/52 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. E137 in accordance with the terms of the contract.

Signature E. A. Magill Title Min Engr Date 11-25-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Min Engr Date 11-25-52

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.

GPO 83-38476

Form MF-104A
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Stage 1

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 525 X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals cu - zn
Address 730 Peyton 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	Ft.	591.93	17	5,919.25	173	34.22	500	30.00
Crosscutting	Ft.	313.38	9	3,216.24	94	34.22	175	30.00
Raising	Ft.	~~1009.77~~	29	~~992.24~~	29	~~34.22~~	150	30.00
Shafts		982.99		965.24		33.28		
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		~~1915.08~~ 1888.08	55	~~10,127.73~~ 10,100.73				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		219.90		966.92				
Initial Rehabilitation and Repairs		~~295.43~~		~~2,277.26~~				
New Buildings, Improvements, etc.		268.17		2,250.50				
TOTAL COSTS		~~2430.41~~ 2376.15		~~13,371.91~~ 13,317.65				

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.

REMARKS:

Date Nov. 15-1952 Operator Spokane Mining Syndicate, Inc.
Per Wm C. Gillis Title Secretary

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

Office of Mobilization
[illegible] Central Building
Seattle 4, Washington

November 10, 1952

Mr. Harry L. Horn
Spokane Mining Syndicate, Inc.,
730 Peyton Building
Spokane 8, Washington

Progress Report- October, 1952

Dear Sir:

The following is a summary of the exploration work carried out at the Pulaski property in Mary County, Washington, during the month of October, 1952. This is under the M.O.A. Contract [illegible].

Exploration: During the month the total advance amounted to 99 feet which was distributed along the various workings as follows: This compares to an advance of 70 feet driven during September, 1952.

Working	Drifts	Cuts	Raises	Footage Month	Footage To Date	Remarks
102 [illegible]. Cut		4		4	62	
102 [illegible]. Stope		5 (15' at 1/3)		5	5	
103-1 [illegible]. Raise			15	15	15	
109 W. Drift					70	Stopped at 70'
109 S. Drift					66	Stopped at 66'
109-1[illegible]. Raise			14	14	14	
103 [illegible]. Drift	15			15	15	
103 S [illegible]. Stope	2 (6' at 1/3)			2	2	
	17	9	29	55	229	

Contract footage was paid on the basis of 55 foot advance. This included 48 feet of advance and 7 feet of side stope.

Details of the workings are shown on the attached Map No. T-1 which is to date of November 15, 1952. October footage is shown in the 102 [illegible]. Cut, 103-1 [illegible]. Raise, 109-1[illegible]. Raise and the 103 [illegible]. Drift.

The 102 [illegible]. Cut was in granite and broke into alaskite on the 4 foot advance. A small showing of galena ore was exposed back from the face. 15 feet of side stope was made along the north side and the ore showing continued. A 10 foot stripped sample in the vicinity of the 103-1 [illegible]. Raise ran 5.[illegible] zinc with 0.2 ounces of silver per ton.

The 103-1 [illegible]. Raise was started in the 102 [illegible]. Cut at 37 feet in-by from its. It was started on a bearing of N.10° [illegible] with a slope of 27°. The slope distance amounted to 11 feet with an additional 4 feet of vertical rise. Ore was exposed for a slope distance of 10 feet and cut out on a dip below the vertical rise. A stripped sample ran 3.6 [illegible] zinc with 0.6 ounces of silver per ton.

Mr. Henry V. Horn November 22, 1950

The 109-1[illegible] Raise was started in the 109 [illegible]. Drift at 20 feet in-by from Sta. 9 and was carried on a bearing of N.80° [illegible], with a slope of 14°. The slope distance amounted to 14 feet and was in diorite schist for the entire distance. The face is 15 feet above the level.

No advance was made in either the 109 N. or the 109 S. drifts.

The 1[illegible] S. Drift was started from the 1[illegible] [illegible]-cut opposite the 109 N. Drift. It was carried in on a bearing of N.20° [illegible] on a total distance of 15 feet and was in diorite schist no appearance of ore. It will be going a little to the southeast to intersect the projected area of the ore in Open Cut. No. 2.

Ore reserves: There is no change in the ore reserves which are estimated at 2,000 tons with a combined metal content of about 7 %.

Recommendations: The 1[illegible] [illegible]-cut should be advanced another 5 rounds. In 3 rounds stub raise should be put up on the ore showing about 10 feet in-by from Sta. 6. A short stub drift should be driven in under the 1[illegible]-1[illegible] Raise to test out the extent of the ore along the foot.

The 109 [illegible] Drift should be continued on long holes put up in the back.

The 109-1[illegible] Raise should be driven for another 5 rounds to test out the upper country.

A series of long drill holes should be put up in the back of the 109 N. and 109 S. Drifts. The small ore showing in the 109 [illegible] Drift about 15 feet in-by from Sta. 6 should be tested out.

It would be of advantage to start a small scale mining operation. Ore showings in the 1[illegible] [illegible]-cut and the 109 [illegible] Drift are very spotty and difficult to follow. The No. 2 Stope has several faces of apparent ore which should be followed. Stoping should be started on the west end and carried on to mined the ore in the 103-1[illegible] Raise and the ore in the 109 S. Drift.

General: Weather and operating conditions were satisfactory, but there was considerable delays. 3 days were lost in making repairs to the lighting plant at the mine and 3 days on repairs to the compressor motor. Andrew Prain lost several days due to a badly lacerated finger which required treat ment at Colville.

[illegible] Reynolds, State Mine Inspector, visited the property on October 3, 1950.

[illegible] A. Middleton visited the property on October 11th and 12th. [illegible] and [illegible] Hirons inspected the property during the month.

The telephone line from the mine to the lower camp was completed

Mr. Henry T. Born November 20, 1952

and installation of the new pumps and motors at the river pump site was finished during the month. Work was done on the mill machinery to prepare for milling operations.

Repairs were made on the rock crib footing on the tram tower at the Upper Terminal.

A basket stretcher was purchased to transport accident cases over the tramway.

The only accident was a badly lacerated finger received by Walter Frahm caused by a kick-back of the Ingersoll drill.

Yours very truly,

W. W. Nicholsen

W. W. Nicholsen
Consulting Engineer

WWN:r

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. 521

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

Voucher prepared at Spokane, Washington 11/18/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E137

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

To Spokane Mining Syndicate, Inc.
(Payee)

730 Peyton Building, Spokane, Wash.
(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.
	Sept. 1952	As per attached certified form MF-104 dated Oct. 28, 1952				1,977	95
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 1,977 95

(Payee must NOT use this space)

Differences .....

Account verified; correct for .....

(Signature or initials) .....

Contract No. Idm-E137 Date Req. No. Date Invoice Rec'd.

1,977.95

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	1,977.95	1,977.95

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 M-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R036.3.
Approval expires 6-30-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952
Wash.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Stage 1

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Contract Amount, $ 44,000. Government Participation: 50 % Amount, $ 22,000

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	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	630.00	989.00	1,619.00			
Drifting	720.00	2,484.00	3,204.00			
Repair Equipment		335.00	335.00			
(2) Labor and Supervision:						
Labor						
Supervision	176.00	224.00	400.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	491.88	None	491.88			
Pipe	83.65	None	83.65			
Track Ties	20.51	152.73	173.24			
Gasoline-oil-bits	430.24		430.24	~~430.24~~	~~110.89~~	
Steel-Misc. Supplies	297.06	110.89	407.95			
(4) Operating Equipment:						
Rental						
Purchase	875.87	None	875.87			
Depreciation	297.09	336.66	633.75	145.00	336.66	481.66
(5) Initial Rehabilitation and Repairs		1,981.83	1,981.83			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	80.48	371.49	451.97	74.41	371.49	445.90
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Tools	11.20		11.20			
(8) Contingencies (specify):						
TOTALS	4,114.06	6985.60	11,099.66	3,955.90	6,985.60	10,941.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 20, '52 *Payee Spokane Mining Syndicate, Inc.
Per Wm. G. Gillis Title Secretary

*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.

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(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$1977.95
Signature (Authorized Certifying Officer)
Date 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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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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).

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Stage 1

Month of September 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syncidate, Inc. Minerals Cu - Zn
Address 730 Peyton 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	Ft.	1727.03	48	5335.04	156	34.20	500	30.00
Crosscutting	Ft.	1511.16	42	2906.92	85	34.20	175	30.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
				~~8241.96~~				
TOTAL DISTRIBUTED COSTS		3238.19	90	8241.96				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		875.87		875.87				
Initial Rehabilitation and Repairs				1981.83				
New Buildings, Improvements, etc.								
TOTAL COSTS		4114.06		11,099.66				

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.

REMARKS:

Date Oct. 28, 1952 Operator Spokane Mining Syndicate, Inc.

Per Wm. C. Gillis Title Secretary

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

Walter A. Richardson
[illegible] Mineral Building
Seattle 4, Washington

October 14, 1952

Mr. Henry E. Horn
Spokane Mining Syndicate, Inc.,
730 Peyton Building
Spokane 8, Washington

Progress Report- September, 1952

Dear Sir:

The following is a summary of the exploration work conducted at the Sullivan property in Ferry County, Washington, during the month of September, 1952. This is under the W.P.A. Contract 525 X.

Exploration: During the month the total advance amounted to 90 feet which was distributed among the various workings as follows: This compares to an advance of 55 feet driven in August, 1952.

Working	Footage Drifts	X-Cuts	Raises	To Date	Remarks
102 W.		42	42	85	
109 N.	—		—	70	Stopped at 70'
109 S.	48		48	86	Stopped at 86'
	48	42	90	241	

Contract footage was paid on the basis of 90 feet advance.

Details of the workings are shown on the attached Map No. 2-1 which is to date of October 12, 1952. September footage is indicated in both the 102 W. X-Cut and the 109 S. Drift.

The 102 W. X-Cut was in granite for the entire distance of 42 feet. There were scattered stringers of ore and the working was going toward the east. Indications of a strong northwest shear showed up on the last round and an additional round in October disclosed 2 feet of ore in the foot estimated at 5% combined metal content. A total of 2½ feet of ore is exposed which averaged 4% zinc, 1.8% lead with 3.0 ounces of silver per ton.

The 109 N. Drift was stopped in August and there was no additional work done.

The 109 S. Drift was in diorite and diorite schist for a distance of 38 feet up to the contact. The last 1[illegible] feet were in a gradational granite indicative of the upper country. Stringers of ore were exposed in the back in the diorite about 15 feet in-by from Sta. 9 and about 12 feet back from the face.

Mr. Henry E. Horn October 14, 1952

Ore Reserves: Additional ore has been discovered in the No. 2 Stope above the 105 N. Drift. This, together with the ore in the 102 N. Cut and the showing in the 109 S. Drift should increase reserves to around 2,800 tons. Lead values run from 1.5% to 2.0% but these are not recovered in the present flotation circuit. Ores will have a combined metal content of about 7%, with 2% copper, 5% zinc, about 0.6% cadmium and 2 ounces of silver per ton. Gross values per ton as discussed in the August report are revised as follows:

Without cadmium	$25.60	With cadmium	$49.60
At 87% recovery	22.25	At 87% recovery	43.20
Net returns- 68%	15.15	Net returns- 68%	29.40

Operations: Mining and milling costs are estimated at $8.12 per ton detailed as follows:

Mining-	Labor	$ 3.20 per ton	
	Explosives	1.20	
	Power	1.00	$ 5.40
Milling-	Labor	1.87	
	Reagents	.60	
	Power	.25	2.72
			$ 8.12

Deducting the cost of $8.12 from the above net smelter returns which included freight, gives an incidental profit as below:

Without cadmium	$15.15	With cadmium	$29.40
Less	8.12	Less	8.12
Net Profit	$ 7.03	Net Profit	$21.28

Estimated profit on 2,800 tons of ore

$19,700 $59,600

Milling: There is an estimated total of 300 tons of mixed ore in the mill bins, of which 150 tons is in the fine ore bin and 150 tons in the coarse ore bin. It is imperative that milling operations be started within the next 2 weeks in order to make room for the ore which is necessary for the operation of the tramway in order to continue with the present work.

The fine ore had an assay of around 3% zinc and that in the coarse ore bin will probably be higher. On this basis, with the mill running on single shift at 30 tons per day, there should be a profit of $2.07 per ton as detailed:

3% ore-	60 lbs. zinc at 14¢	$ 3.40 per ton
	At 87% recovery	7.05
	Net returns- 68%	4.79
	Less milling cost	2.72
	Net Profit	2.07
Profit-	300 tons at $2.07	$621.00

Mr. Henry T. Born October 14, 1952

Recommendations: Milling operations must be started on single shift at the rate of 30 tons per day by November 1st. in order to continue with the exploration work. The estimated profit in running the present ore in the bins is estimated at about $621. Once the mill is turned up, there is no reason why the mine could not maintain a production of 30 tons per day on a grade of 7% combined metal in copper and zinc. This would require a crew of about 6 men at the mine and 4 men at the mill.

Work in the 102 N. X-Cut should be continued for another 6 rounds. A side-swipe should be made on the ore showing in the vicinity of Sta. 6 and a 3 round raise put up in the ore about 7 feet out-by from the station. This may connect with the ore in the No. 2 Stope.

Work in the 109 S. Drift was discontinued at 86 feet. A 3 round raise should be put up about 10 feet in-by from Sta. 9 to test out the ore showing in the back.

Consideration should be given to an intermediate drift from the No. 2 Stope over the 105 N. Drift. This should run southwesterly toward the raise from the 109 S. Drift. Ore could be slushed to the chute in the No. 2 Stope or possibly from the 109-15 Raise.

Work should be started on the 103 N. Drift to test out the projected area from the ore showing in Open Cut No. 2.

Repairs must be made on the tram tower at the Upper Terminal. The rock crib footing on the south side will have to be replaced and new brace timbers put in.

A production loan should be applied for not to exceed $25,000 as this would expedite mining operations on a 30 ton basis. The loan would be well protected as shown under Operations on Page 2.

General: Weather and operating conditions were satisfactory during the month and there were no serious delays.

The new Swedish drill has given excellent results both as to drilling speed and efficiency.

Work was started on the new telephone line from the mine to the lower camp and is about 90% completed.

Installation was begun on the new pump and motors down at the river pump site and is about 80% completed.

There were no accidents during the month.

Yours very truly,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:r

Standard Form No. 1034 a—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. [illegible]

Bu. Vou. No. DMA-448

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

Voucher prepared at Albany, Oregon 10/23/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-137

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

To Spokane Mining Syndicate, Inc.,
(Payee)

730 Peyton 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 net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	As per attached certified form MF-104 dated September 12, 1952				720	07
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 720 07

(Payee must NOT use this space)

Differences

Account verified; correct for 720 07

(Signature or initials)

Contract No. Idm-E-137 Date Req. No. Date Invoice Rec'd.

720.07

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	720.07	720.07

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—22900a-2

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

Wash.

Budget Bureau No. 42-R1036.3.
Approval expires 1-30-53.

OF THE INTERIOR
Minerals Administration
RECEIVED
OCT 28 1952
STAGE 1

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

Month of August 1952 Docket No. DMEA 525X Contract No. IDM-D-137
Operator's Name SPOKANE MINING SYNDICATE, INC. Minerals Cu - Zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $ 44,000.00 Government Participation: 50 % Amount, $22,000.00

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	414.00	575.00	989.00	414.00	575.00	989.00
Drifting	966.00	1518.00	2484.00		1518.00	2484.00
Repair Equipment		335.00	335.00		335.00	335.00
(2) Labor and Supervision:						
Labor						
Supervision	48.00	224.00	272.00	-0-	224.00	224.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track & Switches	None	152.73	152.73		152.73	152.73
Misc. Supplies	64.36	84.82	149.18	26.07	84.82	110.89
Diesel Oil	20.11	None	20.11			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	168.33	336.66	504.99	-0-	336.66	336.66
(5) Initial Rehabilitation and Repairs		1981.83	1981.83		1981.83	1,981.83
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	127.70	337.41	465.11	34.08	337.41 ~~371.49~~	371.49
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Crushing rock/ore	320.00	None	320.00			
(8) Contingencies (specify):						
TOTALS	2142.50	5545.45	7687.95	1,440.15	5,545.45	6,985.60

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/12/52 *Payee SPOKANE MINING SYNDICATE, INC.
Per Wm. G. Gillis Title Secretary

*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:

$ 720.07

Signature (Authorized Certifying Officer)

Date 10/22/52 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. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

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
OCT 28 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

STAGE 1

Month of August 195 2 Docket No. DMEA 525X Contract No. IDE-2-137
Operator's Name SPOKANE MINING SYNDICATE, INC. Minerals Cu - Zn
Address 730 Payton 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	Ft.	1499.75	42	4081.20	108	37.79	500	30.00
Crosscutting	Ft.	642.75	18	1624.92	43	37.79	175	30.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$2142.50	60	$5706.12				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				1981.83				
New Buildings, Improvements, etc.								
Total Costs		$2142.50		$7687.95				

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 Sept. 12, 52 Operator SPOKANE MINING SYNDICATE, INC.

Per Wm. C. Gillis Title Secretary

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

Walter A. Richelsen
806 Central Building
Seattle 4, Washington

September 11, 1952

Mr. Henry T. Born
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 8, Washington

Progress Report- August, 1952

Dear Sir:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of August, 1952. This is under the DMEA Contract 525 X.

Exploration: During the month the total advance amounted to 55 feet which was distributed among the various workings as follows: This compares to an advance of 73 feet driven in July, 1952.

Working	Footage Drifts	X-Cuts	Month	To Date	Remarks
102 W.		16	16	43	
109 N.	29		29	70	Stopped at 70'
109 S.	10		10	38	
	39	16	55	151	

The old contract with Hall and Frahm was terminated on August 31st. Contract footage was paid on the basis of 60 feet, which included 5 feet due in July, 1952.

Details of the workings are shown on the attached Map No. T-1 to date of September 1, 1952.

The 102 W. X-Cut was in granite for the entire 16 feet advance. A strong shear was cut at 36 foot from Sta. 6 and mineralization improved throughout the advance. There was considerable sphalerite and garnet and the mineralized zone now has a length of about 24 feet. It is estimated at a 4% combined metal content with about 0.5% copper and 3.5% zinc. Samples were taken by E. A. McGill of the U.S.B.M. but no returns are available as yet.

The 109 N. Drift was in diorite for the entire advance of 29 feet. This evidently was due to intermediate block faulting and the working was stopped temporarily. Some consideration has been given to driving a raise into the No. 2 Stope at 15 feet in-by from Sta. 7.

The 109 S. Drift advanced for a distance of 10 feet, all of which was in diorite with strong quartz stringers. It apparently is in an up-thrust block and the upper granite formation should lie further toward the south.

Mr. Henry T. Dorn September 11, 1952

Ore Reserves: Exposures in the 102 W. X-Cut have added about 300 tons to the reserve making a total of 2,100 tons. In previous operations, mill heads had an average of 2% copper, 5% zinc, about 0.6% cadmium and 2 ounces of silver per ton. On present metal prices with copper at 24 1/2 cents, zinc at 14 cents and cadmium at $2.00 per pound and silver at 90 cents per ounce, the gross values per ton are as follows:

Without cadmium	$25.60	With cadmium	$49.60
At 90% recovery	$23.05	At 90% recovery	$44.60

Operating, freight and smelter charges must be deducted to obtain the net value per ton.

Recommendations: Work should be continued in both the 102 W. X-Cut and the 109 S. Drift. A 3 round raise should be driven up on the strongest showing in the 102 W. X-Cut.

Slack should be taken out of the stationary tramway cables before freeze-up.

The mill pump at the river should be repaired and various operating units in the mill over-hauled in preparation for milling.

A telephone communication system should be installed following the ridge trail. This seems preferable to a radio phone installation both as to cost and operation.

General: Operating conditions were satisfactory during the month and there were no serious delays.

Ore in the mill bin crushed and transferred to the fine ore bin by Messrs. Ellers and Sins during the week of the 11th and 18th.

A new 2' 6" 8' water tank was sent to the mine during the week of the 25th. The old tank in No. 1 Stope is used for water storage but is under no pressure. A smaller tank has been installed on the level for this purpose.

Mr. Si Cornett of the Copco Pacific, Ltd., demonstrated a new Atlas drill during the week of August 25th. This was equipped with a jack-leg and used the Swedish bit and has proven very satisfactory.

Messrs. R. J. Rundhausen and J. Chichester of the U. S. Bureau of Mines visited the property on August 1st. E. C. McGill of the Bureau was at the property on August 25th and also Messrs. W. P. Puffett, H. Kirkemo and J. Roseboom of the U. S. Geological Survey.

W. A. Richelsen was at the property on August 1, 2 and 25.

There were no accidents during the month.

Yours very truly,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:CM

Region II

P. O. Box 492
Albany, Oregon

October 23, 1952

Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane, Washington.

Reference: August MF-194
Contract Idm-A-137

Gentlemen:

We regret it was necessary to delete a total of $702.35 from the original amount of $2,142.50, that was submitted. The following invoices were deleted for reasons stated:

1. Richfield Oil Corp. in the amount of $26.11. It was noted that it was used for rock crusher. This is not covered under terms of contract.

2. Invoices number 01514, 01510, 01602, 01703, 01515, 01702 and 01511. The contract states that if original invoices are not submitted a certified true copy must be substituted with all of the information as shown on the original. Also, any amounts charged to ore crushing is not allowable under terms of the contract.

The above invoices are enclosed.

Very truly yours

W. Rulon Lee
Finance Officer

rjh
cc: R/F
Aug. MF-194
Contract
Wash. (2)
Volin (2)

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-364

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 9 1952

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

Voucher prepared at Albany, Oregon 9/4/52
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-137

To Spokane Mining Syndicate, Inc.,
(Payee)

730 Payton Building, Spokane, Washington
(Address) (City) (State)

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)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July 1952	Discount Terms net As per attached certified form MF-104 dated August 8, 1952				1,094	48
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	1,094	48

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,094 48

(Signature or initials) .....

Contract No. Idm-E-137 Date Req. No. Date Invoice Rec'd.

1,094.48

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	1,094.48	1,094.48

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)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 9 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Stage 1

Month of July, 1952 Docket No. DMEA 525X Contract No. IDM-E-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Building, Spokane, Wash.
Contract Amount, $ 44,000.00 Government Participation: 50% Amount, $ 22,000.00

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	391.00	184.00	575.00	391.00	184.00	575.00
Drifting	1173.00	345.00	1518.00	1173.00	345.00	1518.00
Repair Equipment		335.00	335.00		335.00	335.00
(2) Labor and Supervision:						
Labor						
Supervision	96.00	128.00	224.00	96.00	128.00	224.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track	93.50	None	93.50	93.50	—	93.50
Track Switches	59.23	None	59.23	59.23	—	59.23
Misc. Supplies	84.82	None	84.82	84.82	—	84.82
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	168.33	168.33	336.66	168.33	168.33	336.66
(5) Initial Rehabilitation and Repairs		1981.83	1981.83		1981.83	1981.83
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	123.08	214.33	337.41	123.08	214.33	337.41
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2188.96	3356.49	5545.45	2188.96	3356.49	5545.45

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

Date Aug. 8, 1952 *Payee SPOKANE MINING SYNDICATE, INC.

Per [signature] 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:

$ 1094.48

Signature [signature]
(Authorized Certifying Officer)

Date 9/3/52 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. 137 in accordance with the terms of the contract.

Signature Elmer A. Mazzil Title Mining Engr Date Aug 13, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr Date 8/13/52

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

Form MF-104A
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 9 1952

Budget Bureau No. 42-R133
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Stage 1

Month of July 1952 Docket No. DMEA 525X Contract No. IDM-2-137
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn.
Address 730 Peyton Bldg., 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.	1641.72	51	2538.24	66	39.10	500	30.00
Crosscutting	Ft.	547.24	17	1025.38	25	39.16	175	30.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2188.96	68	3563.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								44,000.00
Initial Rehabilitation and Repairs				1901.03				
New Buildings, Improvements, etc.								
TOTAL COSTS		2188.96		5464.65				

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.

REMARKS:

Date Aug. 8, 1952 Operator SPOKANE MINING SYNDICATE, INC.

Per Henry O. Lohn 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)

(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

Walter A. Richelsen
806 Central Building
Seattle 4, Washington

August 7, 1952

Mr. Henry T. Born
Talisman Mining & Leasing Co
730 Peyton Building
Spokane 8, Washington

Progress Report- July, 1952

Dear Sir:

The following is a summary of the exploration work conducted at the Talisman property in Ferry County, Washington, during the month of July, 1952, under the DMEA Contract 525 X.

Exploration: During the month the total advance amounted to 73 feet which was distributed among the various workings as follows: This compares to an advance of 23 feet during the month of June, 1952.

Working	Footage		
	Drifts	X-Cuts	Total
102 W.		19	19
109 N.	26		26
109 S.	28		28
	54	19	73

The Hall-Murback contract was dissolved during the month on a paid footage of 68 feet. An additional 5 feet was done by Hall and Maysent and will be carried over into the August footage.

Details of the workings are shown on the attached Map No. T-1 to date of August 1, 1952.

The 102 W. X-Cut was partially in alaskite and the face is in granite. About 8 feet of ore is exposed averaging about 0.5% copper and 2.5% zinc or a total of about 3%. No samples were taken at the face.

The 109 N. Drift advanced about 6 feet in diorite which is considered foot-wall country. The remaining 20 feet is in the upper formation and is a phase of granite. It crossed a northwest shear and evidently is in a down faulted block exposing the upper formation. The ore horizon probably lies further toward the north.

The 109 S. Drift advanced about 15 feet in granite and the remaining 13 feet is in diorite country. The face is in faulted ground and the ore horizon is probably about 3 rounds ahead.

Geology: The ore consists of chalcopyrite and sphalerite with some galena and slight indications of scheelite. It is associated with the northwest shear zones which show post mineral movement. The

Mr. Henry T. Born August 7, 1952

attitudes show an undulating structure due to folding and block faulting with a general strike toward the southwest. The floor of the stopes expose the foot-wall which has a rake or dip of about 16° toward the south and southeast.

Ore Reserves: It is estimated that there is about 1800 tons of available ore averaging about 2.0% copper and 4% zinc or a total combined of 6% or possibly 7%. There is about 80 tons of broken ore in the No. 2 Stope. The foot-wall indicates that there is about 600 tons of sniping ore in the foot. An additional 1100 tons is estimated in the walls and old working faces. The reserves will undoubtedly be increased during the month of August.

General: Operating conditions were satisfactory during the month and there were no serious delays. All supplies were hoisted to the Upper Camp over the tramway.

W. A. Richelsen visited the property on July 9th, 10th and 12th.

There were no accidents during the month.

Recommendations: Exploration should continue in the vicinity of Point B, and the work should favor the 102 W. X-Cut and the 109 S. Drift.

Yours very truly,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:r

cc: Mr. A. E. Weissenborn
Mr. M. E. Volin

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-335

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

Voucher prepared at Albany, Oregon 8/14/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-137

To Spokane Mining Syndicate, Inc.,
(Payee)

730 Peyton 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: net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1952	Per attached certified form MF-104 dtd. 7/9/52				687	33
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	687	33

(Payee must NOT use this space)

Differences .....

Account verified; correct for 687 33

(Signature or initials) .....

Contract No. Idm-E-137 Date Req. No. Date Invoice Rec'd.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

687.33

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	687.33	687.33

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 ME-104 (Rev.)
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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

AUG 25 1952
Stage 1

Month of June 1952 Docket No. DMEA 525X Contract No. EX1-2-197
Operator's Name Spokane Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Bldg., Spokane, Wash.
Contract Amount, $ 44,000.00 Government Participation: 50 % Amount, $ 22,000.00

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	104.00	None	104.00			
Drifting	345.00	None	345.00			
Repair Equipment	335.00	None	335.00			
(2) Labor and Supervision:						
Labor						
Supervision	120.00	None	120.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	160.33	None	160.33			
(5) Initial Rehabilitation and Repairs		1981.33	1981.33			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	216.33	None	216.33			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1374.66	1981.33	3356.89	1374.66	1981.33	3356.89

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 9-1952 Payee Spokane Mining Syndicate, Inc.
Per Henry J. Boyn 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:
$ 687.33

Signature
(Authorized Certifying Officer)

Date 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 137 in accordance with the terms of the contract.

Signature Elmer A Magill Title Mining Engr Date July 21, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr Date 7-21-52

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 12-31-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952
Stage 1

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1952 Docket No. DMEA 5291 Contract No. DMA-3-197
Operator's Name Cosmo Mining Syndicate, Inc. Minerals Cu - Zn
Address 730 Peyton Bldg., 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	896.52	15	896.52	15	59.77	500	200.00
Crosscutting	Ft	478.14	0	478.14	0	59.77	175	30.00
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$1374.66	29	$1374.66				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				1881.03				
New Buildings, Improvements, etc.								
Total Costs		1374.66		3255.69				16,000.00

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 10, 1952 Operator COSMO MINING SYNDICATE, INC.

Per Henry D. Bom II Title PRESIDENT

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

July 14, 1952

Defense Minerals Exploration Administration
1201 North Division Street
Spokane, Washington

Attention: Mr. Magill

Gentlemen:

Operations at the Talisman Mine commenced June 9, 1952, by independent contractor team known hereafter as Hall and Murbach.

Under a sub-contract the aforesaid Hall and Murbach repaired the air line, water line, compressor engine, electric power plant and lighting system, water pumping plant, together with minor repairs to tramway. This sub-contract work ended June 15, 1952.

Actual drifting and crosscutting started approximately June 19, for three days were needed to set up in the mine and haul supplies via the tramway.

Contractors drifted fifteen feet from location point "B" on the vein structure to the northwest, as cited in Step 1 of Stage 1, as per instructions of D.M.E.A. Contract. They also crosscut eight feet from point "D" towards point "D" referred to in Step 6 of the same stage, all on the No. 1 Adit level, for a total of twenty-three feet, this ending the month June 30, 1952.

Yours very truly,

SPOKANE MINING SYNDICATE, INC.

Don A. Gillis

Don A. Gillis, Secretary

DAG:bm

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 137

Name of Operator Talisman Mining and Leasing Company
Docket No. DMA 525 X
Total Contract Amount $ 44,000.00
Government Participation: Fifty % Amount, $ 22,000.00
Distribution of Expenditures for Month of October - 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.

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.

Talisman Mining and Leasing Company
(Name of Company)

By Henry D. Bom
(Signature of Authorized Official)

Nov. 3rd, 1951
(Date)

President
(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 8 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]						
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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]	523.50					
5. Supervision	552.00					
6. Supplies						
(a) Timber	87.98					
(b) Explosives						
(c) Repair Parts	491.20					
(d) Other Bolts	10.00					
7. Power						
8. Transportation	72.53					
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify) Overhead on repairs	186.90					
Wash. State Sales Tax	57.72					
Total	$1981.83					
Deletions	X					
Adjusted totals	X					
Totals previously reported	X					
Totals to date	X					

[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 DR Lee
Entered by
Approved by Glenn C Rice
Amount approved for payment $990.91
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October

(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										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1075.50		589.18	317.15	1981.83	Dollars	1981.83	—	1981.83	3250.00
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1075.50		589.18	317.15	1981.83					

[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

U. S. BUREAU OF MINES
RECEIVED
NOV 8 1951
ALBANY, OREGON

MAY 7 - 1964

Mr. Gale E. Anderson
1918 14th Ave. So.
Great Falls, Montana

Re: DMRA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Ida-F137

Dear Mr. Anderson:

Thank you for returning the completed MMR Form 63's mailed to you on February 20, 1964.

This is with reference to the Landlord's Subordination Agreement signed by you on August 18, 1951.

By the terms of the subject Exploration Project, as amended, and the certification of discovery or development dated October 4, 1954, all minerals mined or produced from September 7, 1951, to September 7, 1963, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Fumich, Jr.

Acting Director

WRGriswold/mm
5/6/64
cc: Glen L. and Ethel M. Brink, 4118 McCall Blvd., Bremerton, Wash.
Don K. Busick, 4305 W. 166th St., Lawndale, Calif.
Talisman Mining and Leasing Company, 730 Peyton Bldg., Spokane, Wash.
Director's Reading File
✓CA&A Division
Region I w/cy of incoming Form 63
Docket
Code 500

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. Henry T. Born, President
Spokane Mining Syndicate, Inc.,
720 Peyton Building
Spokane 8, Washington

Pursuant to the provisions of Exploration Project Contract No. Idm-5137, dated September 7, 1951, Docket No. DMA-525, hereinafter called the "contract", between you 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 mineral deposit which is the subject of the exploration project, the Government considers and therefore certifies that a 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: Copper-Zinc ores occurring as replacement lenses in gneissic and schistose rocks were disclosed by drifting on the No. 1 adit level of the Talisman mine, and raising above this level.

Dated OCT 4 - 1954

THE UNITED STATES OF AMERICA

By O. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

ARGriswold/FEJohnson/bjl/bih
10/1/54
cc to: Docket
Admr. Reading File
Operating Committee
Region II (2)
Finance Office
Messrs. Gumbel, Dr.,MD.,FPS
Hedges - Room 4604
Kiilsgaard - Room 5227
Chambers - Room 4542
Don K. Busick
Glen L. Brink & Ethel M.B Brink
Griswold (2)
F.E.Johnson

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

Mr. Henry T. Born, President
Spokane Mining Syndicate, Inc.
720 Peyton Building
Spokane 8, Washington

OCT 4 1954

Re: Docket No. DMA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-2137

Dear Mr. Born:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-2137, dated September 7, 1951, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the Certification, all production from the land described in the contract after September 7, 1951, the date of the contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum which the Government has advanced as its participating interest is repaid, or until September 7, 1963, whichever occurs first.

Payments should be made to Mr. A. F. Weissenborn, Executive Officer, DMA Field Team, Region II, 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 or 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,
C. O. Mittendorf

Administrator

Enclosure

Rose Metals
Glen L. Brink & Ethel M. B. Brink (lessors)
Don K. Busick (lessor)
Chron.
Cont.Adm.&Audit Div.
F. E. Johnson
W. R. Griswold
Region II (2)
Admr. R. File
Cp. Committee

WRGriswold/bjl (9/24/54)
Copy to: Docket
Mr. Gumbel, Dr.,MD,EPS
Mr. Hedges, Rm. 4604
Mr. Killegsard (5227)
Finance Office

500

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

OCT 4 1954

Mr. Irving Gumbel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-E137

My dear Mr. Gumbel:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-E137.

The contract was dated September 7, 1951, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $44,000.00. Actual expenditures (subject to final adjustments and final audit) were $31,011.74, with the Government's share being half of such amount, or $15,505.87.

The total amount of work provided for under the contract consisted of 875 feet of crosscutting and drifting, 250 feet of raising, and 2,600 feet of diamond drilling, plus tunnel rehabilitation. Work actually done consisted of 556 feet of drifting and crosscutting, 185 feet of raising, and 181 feet of drilling.

The discovery consisted of copper-zinc ores occurring as replacement lenses in gneissic and schistose rocks. Due to the limited amount of work which was done, it would not be possible to calculate a definite ore reserve tonnage resulting from such work of exploration.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WRGriswold/bjl (9/27/54)
Copy to: Docket
Cont.Adm.&Audit Div.
Region II (2)
Base Metals
Admr. R. File
Op. Committee
Mr. Hedges (4604)
Mr. Kiilsgaard (5227)
F. E. Johnson
W. R. Griswold
Chron.

Government's Copy

Defense Minerals Administration
RECEIVED
AUG 26 1954

TERMINATION AGREEMENT

It is agreed this 29th day of July, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Spokane Mining Syndicate, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E137 (Docket No. DMA-525X), dated September 7, 1951, as amended, hereinafter called the "Contract," that:

1. Effective August 17, 1954, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. 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 (a) the preservation and disposal of property to the cost of which the Government has contributed, and (b) the making and rendering of reports and accounts.

3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including (a) the disposal of any facilities, buildings, fixtures, equipment, or other items to the cost of which the Government has contributed; and (b) the rendering of the final report and final account.

5. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

6. 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.

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

THE UNITED STATES OF AMERICA

By _____
Executive Officer, Defense Minerals Exploration Administration Field Team, Region II

SPOKANE MINING SYNDICATE, INC.

By _____
President

Government's Copy

EXPLORATION PROJECT CONTRACT
SPOKANE MINING SYNDICATE, INC.
DOCKET NO. DMA-525X

AMENDMENT NO. 9

WHEREAS, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Spokane Mining Syndicate, Inc., are parties to Exploration Project Contract Idm-E137 (Docket No. DMA-525X), dated September 7, 1951, as amended, hereinafter called the "Contract"; and

WHEREAS, Amendment No. 8 to the Contract, dated February 10, 1954, provided, in part, that the royalty provisions contained in Annex I attached to and made a part of that amendment were substituted for those royalty provisions contained in Article 15 of the Contract form; and

WHEREAS, Article 15 of the Contract form provided that percentage royalty was due the Government on all production from the date of the Contract in the event of certification, while item (1) in paragraph "b" of Annex I provides that percentage royalty is due the Government regardless of certification on all production from the date of the Contract for the period of time specified in item (1); and

WHEREAS, the Operator protested against the provisions in item (1) of paragraph "b" of Annex I immediately after executing Amendment No. 8 when the meaning of the provisions in item (1) was explained to it, the protest being directed to the payment of percentage royalty on production made prior to the date of Amendment No. 8 in the absence of certification of discovery or development; and

WHEREAS, the primary purpose of Amendment No. 8 was to extend by 9 months the period for completion of the work and the Government would not have insisted upon the provisions in item (1) of paragraph "b" of Annex I as a condition for entering into Amendment No. 8 had it known in advance of the Operator's disagreement thereto;

NOW THEREFORE, it is agreed that, after the first comma in item (1) of paragraph "b" of Annex I attached to and made a part of Amendment No. 8, the words "from the date of the Contract" are deleted and the words "from the date of Amendment No. 8 (February 10, 1954)" are substituted.

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate this 7th day of May, 1954.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense
Minerals Exploration
Administration

SPOKANE MINING SYNDICATE, INC.

By Henry D. Corn II
President

Government's Copy

EXPLORATION PROJECT CONTRACT
SPOKANE MINING SYNDICATE, INC.
DOCKET NO. DMA-525X

AMENDMENT NO. 8

It is agreed this 10th day of February, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Spokane Mining Syndicate, Inc., that Exploration Project Contract Idm-E137, Docket No. DMA-525X, dated September 7, 1951, as amended, is further amended, effective December 7, 1953, as follows:

1. In Article 3 of the contract form, delete the period "twenty-seven (27) months," provided by Amendment No. 6, and substitute the period "thirty-six (36) months."

2. Annex I, attached hereto and made a part hereof, is substituted for Article 15 of the contract form, as amended in Amendment No. 6.

This amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

THE UNITED STATES OF AMERICA

By O. O. Mittenhorf
Administrator, Defense Minerals Exploration Administration

SPOKANE MINING SYNDICATE, INC.

By Henry T. Bern
President

EXPLORATION PROJECT CONTRACT
SPOKANE MINING SYNDICATE, INC.
DOCKET NO. DMA-525X

ANNEX I

The following provisions are in lieu of Article 15:

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 amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows: Feb. 10, 1954

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) 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 ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other 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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

* The period "twelve years" is substituted for the period "ten years."

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG - 4 1953

Docket No. DMEA 525
(copper-zinc)

AMENDMENT NO. 7

GOVERNMENT COPY

It is agreed this 28th day of July 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Spokane Mining Syndicate, Inc., Spokane, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 137 of September 7, 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 July 15 1953.

This amendment is made by authority granted the Executive Officer, DMEA 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.

SPOKANE MINING SYNDICATE, INC.
(Operator)

By Henry D. Born
President

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

SPOKANE MINING SYNDICATE
Exploration Project Contract Idm-E137
Docket No. DMEA 525 (copper-zinc)

AMENDMENT NO. 7

Exhibit "F"

Changes and Modifications

1. In Exhibit "A" under Estimated Cost of Stage I, as amended by Amendment No. 5, delete:

Long hole drilling @ $1.00/ft. (to include all operating costs excepting supervision)	
Diamond drilling @ $7.50/ft.	
Total diamond or long hole drilling	$4500.00

and substitute:

Long hole drilling, 151 feet @ $1.038/ft.	156.74
Drifting, crosscutting and raising from the No. 2 stope	2443.26
Repairs and rehabilitation of tram	1900.00

2. In Exhibit "A" under Exploration Project - Stage I, delete:

Item 7. Diamond drill a maximum of 600 feet from point D.

and substitute:

69 feet of drifting, crosscutting and raising from the No. 2 stope.

SPOKANE MINING SYNDICATE
Contract Idm-E137
Docket No. DMEA 525 (copper-zinc)

Justification of Amendment No. 7

Amendment No. 7 was written to allow for rehabilitation of the jig back tram, which was considerably damaged when the traction cable broke on July 15, 1953. As the tram is the only means of hauling materials and supplies to the mine, it is essential that it be repaired so that exploration work under Stage II of the contract can be initiated.

Drifting, crosscutting and raising from the No. 2 stope on the ore zone exposed in an exploratory drift will provide information which will give a more definite picture of the structural control at the property.

W. S. Anderson

C
O
P
Y

SPOKANE MINING SYNDICATE, INC.
MAdison 4774
730 Peyton Building
Spokane 8, Washington

July 29, 1953

United States Department of the Interior
Geological Survey
South 157 Howard Street
Spokane, Washington

Attention: A. E. Weissenborn
Executive Officer, D.M.E.A.
Field Team, Region II

Re: DMA-525X-Cu-Zn-IDM-E-137

Gentlemen:

We wish to file for an amendment to the above contract on our Talisman operation, to allow the repair of our aerial tramway used in connection with our Talisman operation. As the tramway is the lifeline of this exploration project, we ask that the D.M.E.A. share the cost of the work necessary to put the tramway in working order and operation, so that exploration work can continue uninterruptedly.

Approximately 6400 feet of 6 x 7 -1/2 inch Improved Plow Steel Rope has been suggested by the Riblet Tramway Company of Spokane, Washington. This cable is being made by Broderick and Bascom Rope Company, of Seattle, Washington. It has been ordered and delivery is expected within a few days.

The cost of cable, timber, labor, etc. will amount to approximately $2100.00. Naturally, every effort will be made to do it for less.

We also wish to include in this amendment permission to continue the drift in Stope #2 until we cut through the ore.

Trusting our request for the above amendments will meet with your approval.

Very sincerely yours,

/s/ Henry T. Born
President

HTBorn:bm

Government's Copy

EXPLORATION PROJECT CONTRACT
SPOKANE MINING SYNDICATE, INC.
DOCKET NO. DMA-525X

AMENDMENT NO. 6

It is agreed this 26th day of June, 1953, between the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, and Spokane Mining Syndicate, Inc., each acting in consideration of the agreement of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E137, Docket No. DMA-525X, dated September 7, 1951, between the parties hereto, as amended, be further modified and amended as follows:

1. In Article 3 of the contract form, the words "Twelve (12) Months" are deleted and there are substituted therefor the words "Twenty-seven (27) Months."

2. Wherever they appear in Article 15 of the contract form, the words "ten (10) years" are hereby changed to "twelve (12) years."

3. This Amendment shall not be construed to increase the estimated total cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals Exploration Administration

SPOKANE MINING SYNDICATE, INC.

By Henry D. Barr
President

Docket No. DMEA 525X
(copper-zinc)

AMENDMENT NO. 5

GOVERNMENT'S COPY

It is agreed this 23d day of January 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Spokane Mining Syndicate, Inc., Spokane, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 137 of September 7, 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 December 1, 1952.

This amendment is made by authority granted the Executive Officer, DMEA 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.

SPOKANE MINING SYNDICATE, INC.
(Operator)

By Wm. C. Ellis
Secretary

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 9 1953

SPOKANE MINING SYNDICATE, INC.
Exploration Project Contract Idm-E137
Docket No. DMEA 525 (copper-zinc)

AMENDMENT NO. 5

Exhibit "F"

Changes and modifications

In Exhibit "A" under "Estimated Cost of Stage I", delete:

Diamond drilling, 600 feet @ $7.50 per foot	$4,500.00

Add:

Long hole drilling @ $1.00 per foot (to include all operating costs excepting supervision)	
Diamond drilling @ $7.50 per foot	
Total diamond or long hole drilling	$4,500.00

SPOKANE MINING SYNDICATE, INC.
Exploration Project Contract Idm-E137
Docket No. DMEA-525 (Copper-Zinc)

Justification for Amendment No. 5

It is considered that long hole drilling is the most feasible method to locate the ore body in the individual fault blocks.

Government's Copy
Docket No. DMEA 525X (Cu-Zn)

AMENDMENT NO. 4 GOVERNMENT'S COPY

It is agreed this 8th day of December 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Spokane Mining Syndicate, Inc., 730 Peyton Building, Spokane 8, Washington

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 137 of September 7, 195 2 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 November 1, 195 2.

This amendment is made by authority granted the Executive Officer, DMEA 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.

SPOKANE MINING SYNDICATE, INC.
(Operator)

By Wm. C. Gellis
Secretary

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
OCT 1 6 1952

SPOKANE MINING SYNDICATE, INC.
EXPLORATION PROJECT CONTRACT IDM-E137
DOCKET NO. DMA 525X (Cu-Zn)

Amendment No. 4

Exhibit "F"

Changes and Modifications

In Exhibit "A" under "Estimated Cost of Stage I is", delete:

Miscellaneous supplies	$500.00

In Exhibit "A", add:

Fixtures and Improvements

Construction of shed over tail wheel at lower tramway terminal	$100.00*
Installation of doors and windows in machine shop building	$ 75.00*
Construction of shed over 105 cfm compressor	$ 50.00*

Repairs and Rehabilitation

Repair I. R. 105 cfm gasoline engine driven compressor	$300.00*

Operating Equipment

2 stoves, oil burning for cook house and bunkhouse, complete with oil drum and installation	$184.00*

*Indicates allowable maximum.

SPOKANE MININGY SYNDICATE, INC.
EXPLORATION PROJECT CONTRACT IDM-E137
DOCKET NO. DMA 525X (Cu-Zn)

Justification of Amendment No. 4

Amendment No. 4 has been prepared to allow for necessary improvements and purchase of equipment for winter operation. Repair of the 105 cfm compressor is necessary if more machines are to be worked at the property in an attempt to speed up progress.

AMENDMENT NO. 3

It is agreed this 29th day of October 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Spokane Mining Syndicate, Inc., 730 Peyton Bldg., Spokane, Wash. (Docket No. DMEA 525X - lead, zinc) each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 137 of September 7 195 1 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 1 195 2.

This amendment is made by authority granted the Executive Officer, DMEA 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.

SPOKANE MINING SYNDICATE, INC.
(Operator)

By Wayne Ellis
Secretary

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1952

SPOKANE MINING SYNDICATE, INC.
Exploration Project Contract Idm-E137
Docket No. DMA 525X (Cu-Zn)

Amendment No. 3

EXHIBIT "F"

Changes and modifications

Under "Labor and Supervision" add:

Labor for crosscuts, drifts and raises may be paid at unit contract rates not to exceed $15 per foot. This per foot cost is to include all labor costs excepting supervision.

SPOKANE MINING SYNDICATE, INC.
Exploration Project Contract Idm-E137
Docket No. DMA 525X (Cu-Zn)

Justification of Amendment No. 3

The Operator has entered into an agreement for contract labor in connection with driving drifts, crosscuts and raises (copy of agreement attached). The agreed labor charge is to be $15.00 per foot. Although this would appear to be high, under the working conditions it appears to be a fair charge. The mine is located on a cliff 1700 feet above the valley floor. To reach the mine it is either necessary to walk up a trail about 2 miles or to ride in the bucket of a 3200-foot jig back tram. Although there are living quarters at the mine it is difficult to get men to work under these conditions. Contracting of labor has also resulted in a lower supervision cost.

MINING CONTRACT

THIS CONTRACT made by and between Spokane Mining Syndicate, Inc., a Washington corporation, with offices at 730 Peyton Building, Spokane, Washington, hereinafter referred to as the Corporation, and Alfred Bertrum Hall, of Aladdin Route, Colville, Washington, hereinafter referred to as the Independent Contractor, WITNESSETH:

1. The Independent Contractor agrees to perform in a good and workmanlike manner in the main adit level of the Talisman near Laurier, Washington, at points to be designated by the Corporation,

Stage 1

675 feet of drifts, crosscuts and raises;

Stage 2

300 feet of crosscuts and raises;

said drifts and crosscuts to be 5' x 7' in the clear and said raises to be 4' x 5' in the clear, the [illegible] crosscuts to conform to mining standards and said drifts, crosscuts and raises to be timbered as may be required for good mining.

2. The Corporation agrees to furnish all necessary machinery, as air compressor, drilling machines, tram cars, rails, ties, fish plates, fish place bolts, track spikes, switches, and switch points, all necessary repairs for same; 2 air hoses and 2 water hoses; 1 upright bar and arm, and saddle complete; 3 muck sheets 4" x [illegible]"; all pipe for air and water line and all necessary valves and fittings. The Corporation will also furnish all drill steel, oils, [illegible] oil for compressor, [illegible] and all [illegible] necessary repairs. The Corporation [illegible] [illegible], [illegible] and [illegible].

The Corporation agrees to have all equipment, [illegible], and supplies delivered at the portal of the adit at its [illegible], and [illegible]

any timbering is to be done, the Corporation will furnish all material and deliver same to portal of mine, at its expense.

3. The Independent Contractor agrees to provide his own workmen's compensation insurance under the laws of the State of Washington, social security, unemployment compensation and old age insurance, if such be required, and to also comply with any and all state and federal laws relating to performing such work and conditions surrounding the same.

4. The Independent Contractor agrees to complete said work as herein provided as speedily as possible and in a maximum period of time of 250 days.

5. The Corporation agrees to pay the Independent Contractor for said work the sum of $15.00 per linear foot of work so performed in accordance with the terms of this contract. All work performed in any calendar month will be measured after the first day of the succeeding month, and payment for same will be made on or before the 10th day of the month following.

6. The work to be performed under Stage 2 of this contract is to be undertaken only upon the written approval of the Government that in its opinion the performance of Stage 2 is justified by the performance of Stage 1.

7. In event commercial ore is encountered in performing said work, the same is to be carefully removed and kept separate from the waste and shall be put in the bin at the portal of the tunnel.

8. This contract shall be effective September 1, 1952.

[illegible]

By [illegible] [illegible]

Attest: [illegible] [illegible]

Witness:

[illegible]

[illegible]

[illegible]

[illegible]

AMENDMENT NO. 2

It is agreed this 28 day of October 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Spokane Mining Syndicate, Inc., 730 Peyton Building, Spokane 8, Washington, (Docket No. 525, copper-zinc) each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 137 of September 7 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 August 1 1952.

This amendment is made by authority granted the Executive Officer, DMEA 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.

SPOKANE MINING SYNDICATE
(Operator)

By Wm. C. Gillis
Secretary

THE UNITED STATES OF AMERICA

By A E Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 1 1952

SPOKANE MINING SYNDICATE, Inc.
Docket No. 525
Contract No. Idm-E137

Amendment No. 2

Exhibit "F"

Changes and Modifications

In Exhibit "A" delete:

To be furnished by Operator

	Fair Market Value
2 drifters at $750 each	$1,500.00
1 Stoper at $600 each	600.00
1 Jackhammer at $300 each	300.00
1 Compressor 210 cu. ft. gas	5,000.00
1 Compressor 105 cu. ft. gas	2,500.00
2 Mine cars at $100 each	200.00
Total equipment value	$10,100.00

$10,100.00 depreciated over a period of 60 months (5 years)

$$\frac{\$10,100.00}{60} = \$168.33 \text{ monthly rental allowed}$$

In Exhibit "A" Add:

To be furnished by Operator

	Fair Market Value	Monthly Depreciation Allowance
1 Drifter	$750.00	$12.50
1 Stoper	600.00	10.00
1 Jackhammer	300.00	5.00
1 Compressor 210 cfm gas	5,000.00	83.50
1 Compressor 105 cfm gas	2,500.00	42.00
2 Mine cars @ $100 each	200.00	3.50
Total monthly depreciation allowance		$156.50

Equipment to be purchased

1 Rock Drill	$400.00
1 Pusher leg	175.00
1 Stoper leg	175.00
1 Air driven grinder	200.00

SPOKANE MINING SYNDICATE, INC.
Contract No. Idm-E137
Docket No. 525 (copper-zinc)

Justification of Amendment No.2

The purchase of a rock drill with pusher and stoper leg has been allowed because of the excessive time required in drilling out with the machine which the Operator was furnishing.

E. A. Magill
Mining Engineer

(Amendment to Change Starting and Completion Dates)

AMENDMENT NO. 1

It is agreed this 17th day of Sept. 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Spokane Mining Syndicate, Inc., a Washington corporation, 730 Peyton Building, Spokane 8, Washington.

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E137 of September 7, 195 1 between the parties hereto be modified and amended to change the starting date from --- (No. of day) to within --- (No. of days) of the date of the contract and the completion period from 12 (No. of months) to 22 (No. of months) from the date of the contract. The effective date of this amendment shall be September 6, 195 2.

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.

SPOKANE MINING SYNDICATE, INC.
(Operator)
By Harry I. Bell
President
Don G. Gillis
Secretary

The United States of America
By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

Government
~~OPERATOR~~'S COPY

CONSENT TO ASSIGNMENT

To: Talisman Mining and Leasing Company, hereinafter called the "Operator"

and

To: Spokane Mining Syndicate, a Washington corporation, hereinafter called the "Assignee."

Referring to Exploration Project Contract, Docket No. DMA-525X (Idm-E137) dated September 7, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and the Operator; and

Referring to the Operating and Management Agreement dated November 16, 1951, between the Operator and Frank Eichelberger and Ernest Eddy covering the property described in the aforesaid contract; and

Referring to the Assignment, dated April 29, 1952, of the said Operating and Management Agreement by the said Frank Eichelberger and Ernest E. Eddy to Henry T. Born; and

Referring to the further Assignment, dated May 15, 1952, of the said Operating and Management Agreement by Henry T. Born to the Assignee; and

Referring to the Assignment dated May 1, 1952, by the Operator of the said Exploration Project Contract to the Assignee wherein the Assignee agreed to accept said Assignment and to assume and perform all of the reservations, terms, conditions, agreements and covenants of the said Exploration Project Contract;

The Government, without releasing the Operator, hereby consents to said Assignment; Provided, That the cut-off date for contributions by the Government as between the Operator and the Assignee shall be August 1, 1952, the Government's contributions up to and including said date being for the account of the Operator and contributions after that date being for the account of the Assignee.

Dated July 8, 1952.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 8 1952

UNITED STATES OF AMERICA

By O. Mattendorf
Acting Administrator
Defense Minerals Exploration Administration (formerly Defense Minerals Administration)

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

So. 157 Howard Street
Spokane 4, Washington

June 9, 1952

Mr. Frank B. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Assignment of Contract
Idm-1137, DMA-5254
Talisman Mining & Leasing Co.

Dear Mr. Johnson:

Enclosed is an Assignment of Contract Idm-1137 by the Talisman Mining and Leasing Company, Inc., to the Spokane Mining Syndicate, Inc., for the approval of the Acting Administrator of of the Defense Minerals Exploration Administration. The title to the property rests in a certain Operating and Management Agreement dated November 16, 1951 between the Talisman Mining and Leasing Company and Frank Eichelberger and Ernest Eddy. The transfer of this agreement to the Spokane Mining Syndicate is shown in the enclosed assignments. A copy of the Operating and Management Agreement is being procured and will be forwarded when received.

Sincerely yours,

Elton A. Youngberg
For: A. M. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 13 1952

GOVERNMENT'S COPY

THE TALISMAN MINING AND LEASING COMPANY, INC., for and in consideration of One ($1.00) Dollar now paid, and other valuable consideration, does grant and assign, subject to Government approval, to SPOKANE MINING SYNDICATE, INC., all of its interest in a certain Exploration Project Contract, No. IDM - E 137, Docket No. 525X, dated September 7, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the Government, and Talisman Mining and Leasing Company, as Operator.

By acceptance of this Assignment, the assignee agrees to assume and perform all of the reservations, terms, conditions, agreements and covenants in said contract contained.

The post office address of the grantee and assignee herein is as follows:

Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane, Washington

IN WITNESS WHEREOF, I, HENRY T. BORN, President of Talisman Mining and Leasing Co., Inc. have hereunto set my hand this 1st day of May, 1952.

TALISMAN MINING & LEASING CO., INC.
Grantor and Assignor

By Henry T. Born
Henry T. Born, President

In consideration of the foregoing assignment, the undersigned hereby accepts the same and agrees to assume and perform all of the reservations, terms, conditions, agreements and covenants contained in the contract above described.

Dated this 1st day of May, 1952.

SPOKANE MINING SYNDICATE, INC.

By John Sims
John Sims
Vice Pres. and Gen. Manager

Approval by the Government:

Signed_____ Date_____, 1952

Title: Acting Administrator, Defense Minerals Exploration Administration

TALISMAN MINE

ASSIGNMENT

The undersigned, Henry T.Born, as assignor does hereby transfer and assign unto Spokane Mining Syndicate, Inc., as assignee, all of his rights, title and interest of and to the certain Operating and Management Agreement dated Nov. 16th 1951 between Talisman Mining and Leasing Company and Frank Eichelberger and Ernest E.Eddy, and which agreement was assigned to the undersigned Henry T.Born on April 29th 1952 by the said Frank Eichelberger and Ernest E.Eddy, and the undersigned Henry T.Born hereby assigns all of his interest in and to the property covered by said agreement, subject to the terms and conditions thereof.

In witness whereof said assignor has hereunto set his hand and seal this 15th day of May 1952.

Henry T. Born

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this day personally appeared before me Henry T.Born to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of May 1952.

[illegible]
Notary Public in and for the State of Washington, residing at Spokane, Wash.

ASSIGNMENT

The undersigned Frank Eichelberger and Ernest E. Eddy as assignors do hereby transfer and assign unto Henry T. Born, Industrial Engineer, as assignee, all of their right, title, and interest of, in and to that certain Operating and Management Agreement dated November 16, 1951 between Talisman Mining and Leasing Company and said assignors and all of their interest in and to the property covered by said agreement, subject to the terms and conditions thereof,

In witness whereof said assignors have hereunto set their hands this 29 day of April, 1952.

Frank Eichelberger

Ernest E. Eddy

STATE OF WASHINGTON)
) ss.
County of Spokane)

On this day personally appeared before me Frank Eichelberger and Ernest E. Eddy to me known to be the individuals described in and who executed the within and foregoing instrument and severally acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 29 day of April, 1951.

Notary Public in and for the State of Washington, residing at Spokane.

Government Copy
DMEA-525
Zinc, Copper

APPROVAL

Contract dated June 4 19 52, between Spokane Mining Syndicate, Inc., 730 Peyton Bldg., Spokane, Wash.

and Alfred Bertrum Hall and Jack Howard Murbach, Colville, Wash.

for carrying out certain specified work under the provisions of Exploration Project Contract E137 between the United States of America and Spokane Mining Syndicate, Inc.

is hereby approved.

This approval 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".

Dated July 10 19 52.

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 22 1952

For:-
D.M.E.A.

TRUE COPY

MINING CONTRACT

THIS MINING CONTRACT, by and between SPOKANE MINING SYNDICATE, INC., a Washington Corporation, with offices at 730 Peyton Building, Spokane, Washington, and ALFRED BERTRUM HALL and JACK HOWARD MURBACH, at Aladdin Route, Colville, Washington, independent contractors, viz. Talisman Mine operation.

COMPANY'S OBLIGATION

They will furnish all necessary machinery, as air compressor, drilling machines, tram cars, rails, ties, fish plates, fish plate bolts, track spikes, switches, and switch points, all necessary repairs for same; 2 air hoses and 2 water hoses; 1 upright bar and arm, and saddle complete; 3 muck sheets 4" x 5'; all pipe for air and water line and all necessary valves and fittings.

Company will have all equipment delivered to portal of mine at their expense. If any timbering to be done, company will furnish all material and deliver to portal of mine, at their expense.

All work will be measured on first and sixteenth day of each month and payment for same will be made by the 8th and 23rd of each month.

CONTRACTOR'S OBLIGATION

Contractors will furnish all drill steel, bits, gas and oil for compressor, drill oil, and will install all necessary repairs. They will also furnish all powder, primers and fuse.

STAGE I

Work	2 Men	4 Men
400 Ft. Drift 5' x 7'	4 ft. per day 100 days total	7 ft. per day 60 days total
100 ft. Crosscut 5'x7'	4 ft. per day 25 days' total	7 ft. per day 15 days total
50 ft. Raise 4' x 5'	4 ft. per day 12 days total	4 ft. per day 12 days total
100 ft. Raise 4' x 5'	4 ft. per day 25 days total	4 ft. per day 25 days total
100 ft. Drift 5' x 7'	4 ft. per day 25 days total	7 ft. per day 15 days total
75 ft. Crosscut 5'x7'	4 ft. per day 19 days total	7 ft. per day 11 days total
	206 days total	138 days total

All work will be done at Twenty-Three (23.00) Dollars per foot, plus timbering charge of Five ($5.00) Dollars per foot, if any to be done.

STAGE 2

Work to be Done	2 Men	4 Men
100 ft. Crosscut 5' x 7'	4 ft. per day 25 days total	7 ft. per day 15 days total
50 ft. Raise 4' x 5'	4 ft. per day 12 days total	4 ft. per day 12 days total
100 ft. Crosscut 5' x 7'	4 ft. per day 25 days total	7 ft. per day 15 days total
50 ft. Raise 4' x 5'	4 ft. per day 12 days total	4 ft. per day 12 days total
	74 Days Total Time	54 Days Total Time

All work to be done at price of Twenty-Three ($23.00) Dollars per foot, plus timbering charge of Five ($5.00) Dollars per foot, if any to be done.

Dated at Spokane, Washington, June 4, 1952.

SPOKANE MINING SYNDICATE, INC.

Henry T. Born
President

S E A L

Don A. Gillis
Secretary

INDEPENDENT CONTRACTORS

WITNESS:

Alfred Bertrum Hall
Alfred Bertrum Hall

Jack Howard Murbach
Jack Howard Murbach

Docket No. DMEA- 525X

Commodity Copper - 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.

Contract No. Idm-E 137

Date of Contract ~~or Amendment~~: Sept. 10, 1951

Name and Address of Operator:
Talisman Mining and Leasing Co.,
730 Peyton Bldg.
Spokane, Washington

Amount of Government participation ____ $ 22,000.00

Percent of Government participation 50 %

Region: 11 State: Washington

Note: Please release $ 6,048.24

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

(Title)

Date Delivered to Bureau of Mines, Washington. 12/29/54

54458

MF-200
(June 1951)

Docket No. DMA 525X
Commodity Cu Zn
Idm-E 137

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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Reviewed
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EXPLORATION PROJECT CONTRACT [1]

It is agreed this 7th day of September, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]

Talisman Mining and Leasing Company
730 Peyton Building
Spokane, Washington
A Washington Corporation

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 Ferry described as follows: [3] unpatented claims. Snowbank No. 1 and No. 3, further known as the Talisman Mine, approximately one mile southwest of Laurier.

with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the owner, in possession, and that the property is subject only to the following [illegible] of which a copy is attached.~~

SEP 27 1951

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CONTRACT SERV. SECT.

(*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 Thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Copper 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] Twelve (12) Months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

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

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

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

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

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

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

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

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

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

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

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $22,000.00, which is 50 percent of the agreed estimated total cost of this project, $44,000.00.

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

Talisman Mining and Leasing Company
(Operator)

By Henry T. Bore
President

THE UNITED STATES OF AMERICA

By C O Mittendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Talisman Mining and Leasing Corporation
Exploration Project Contract Idm-E137

EXHIBIT "A"

Exploration project--Stage I

1. Drift 400 feet on No. 1 adit level on vein structure to northwest and southeast from point B (see attached map).

2. Crosscut 100 feet to southeast from point C.

3. Raises totaling 50 feet to intersect the vein structure in crosscut of step 2.

4. Raise on vein structure in drifts from point B provided ore structure warrants it; total of 100 feet.

5. Drifting an additional 100 feet on vein structure in either drift of step 1.

6. Crosscut 75 feet from point B and cut diamond drill station at point D.

7. Diamond drill a maximum of 600 feet from point D.

Estimated cost of Stage I is:

Crosscutting	175 feet at $30.00 per ft.	$ 5,250.00
Drifting	500 feet at $30.00 per ft.	15,000.00
Raising	150 feet at $25.00 per ft.	3,750.00
Diamond drilling	600 feet at $ 7.50 per ft.	4,500.00
Rehabilitation and repairs		2,250.00
Miscellaneous supplies		500.00
	Total cost of Stage I	$31,250.00

Stage II

To be undertaken only upon the written approval by the Government, that in its opinion the performance of Stage II is justified by the performance of Stage I.

1. Diamond drill 1,000 feet from heading of No. 2 adit.
2. Extend crosscut from point C an additional 100 feet in No. 1 adit with 50 feet of raises.

Estimated cost of Stage II

1.	Diamond drilling 1,000 feet @ $7.50/foot	$ 7,500.00
2.	100 feet of crosscutting @ $30.00/foot	3,000.00
3.	Rehabilitate No. 2 adit for diamond drilling	1,000.00
4.	Raising 50 feet @ $25.00/foot	1,250.00
	Total cost of Stage II	$ 12,750.00
	Total cost of Project	$ 44,000.00

Time schedule

It is estimated that crosscutting and drifting will be carried out at a minimum of 150 feet per month, raising 100 feet per month, and diamond drilling at 15 feet per day.

Fixtures and improvements

None

Operating equipment

To be rented: None
To be purchased: Miscellaneous tools and equipment $ 500.00

To be furnished by operator	Fair Market Value
2 drifters @ $750. each	$ 1,500.00
1 stoper @ 600. each	600.00
1 jackhammer @ 300. each	300.00
1 compressor-210 cu.ft. gas	5,000.00
1 compressor-105 cu.ft. gas	2,500.00
2 mine cars @ $100. each	200.00
Total equipment value	$ 10,100.00

$10,100.00 depreciated over a period of 60 months (5 years)

$\frac{10,100.00}{60}$ = $168.33 monthly rental allowed.

Labor and supervision

Classification	Rate per shift
Miner	$12.50
Mucker	12.00
Mechanic	14.00
Cook	14.00
Mine Superintendent	16.00

The above rates are subject to lawful overtime increases and union contracts.

Rehabilitation and repairs

Repair of tramway	$2,000.00
Repair of buildings	250.00
Rehabilitate No. 2 adit--Stage II	1,000.00

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of FERRY, State of WASHINGTON, described in a certain Exploration Project Contract dated September 7, 1951, between TALISMAN MINING AND LEASING COMPANY, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated JUNE 3rd 1944, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 18 day of August, 1951

Don K. Brick

Gale C Anderson

Glen L. Brick

Ethel M B Brick

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