DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. ~~525~~ 137

DMEA NO. ~~137~~ 525

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [x] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [x] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

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

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

Additional Folders:

Left Side

Folders No. 2 : Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [x] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 3 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Reported Inactive 12/28/59

17963

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
5/6	Talbert	800
	Selfridge	120
5/6	Johnson	110
"	Fumich	100
		220

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

MAY 7 - 1964

Re: IDEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-X137

Dear Mr. Anderson:

Thank you for returning the completed MME 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

43683

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-E137, 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 3, 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 $2,677.82 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.

(1) ~~Mr. Brian~~
(2) 225

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
Mining Engineer
S. W. Zoldok

53362

FILE COPY
SURNAME:

Johnson
Hoffman
Kiilsgaard
Hedges
Selfridge
Talbot

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS 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-E137, 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 P Mitchell
Administrator, Defense Minerals
Exploration Administration

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

File Copy
Surname
J. W. aef

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-E137, 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 has resulted from the work from which commercial production of ore may be made.

The Government's estimate of said discovery or development is particularly described and delimited as follows: Drifting on the No. 1 Adit level of the Talisman mine, and raising above this level, have shown the existence of copper-zinc-ores occurring as replacement lenses in gneissic and schistose rocks on the lands described in the contract.

Dated _____

WRGriswold/bjl (9/24/54)

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

Copy to: Docket
Cont. Adm. & Audit Div.
Mr. Gumbel, Dr.,MD,EPS
Region II (2)
Base Metals Div.
Admr. R. File
Op. Committee
Mr. Hedges (4604)
Mr. Kiilsgaard (5227)
W. R. Griswold
Glen L. Brink and Ethel M. B. Brink
F. E. Johnson
Chron.

Don K. Busick
Finance Office

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

Abe
Betty

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-K137, Docket No. DMA-525K, 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 properly 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. Superintendence 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 R. Risley 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-2228, 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.

(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 MP-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	4,668.50	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	757.78	-		-	-	-	-
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				
Laber	$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

Docket Copy

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

Witnesses: Talbot Selfridge

SPOKANE MINING SYNDICATE, INC.

By _____
President

DOCKET 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.

UNITED STATES OF AMERICA

By C. Metteson

Acting Administrator
Defense Minerals Exploration
Administration (formerly
Defense Minerals Administration)

Hollund a Kane

DOCKET 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
Vice Pres. and Gen. Manager

Approval by the Government:

Signed _____ Date _____, 1952

Title: Acting Administrator, Defense Minerals Exploration Administration

Henry Ward

ASSIGNMENT

The undersigned Frank Licheiberger [illegible] and [illegible] Industrial Engineer, [illegible], all of [illegible] interest of, in and to that certain Operating and [illegible] agreement dated November 15, 1951 between [illegible] Leasing Company and [illegible] and [illegible] in [illegible] in and to the property covered by said agreement, [illegible] terms, [illegible] and conditions thereof,

In witness whereof said assignors have [illegible] their hands this 21 day of April, 1951.

[illegible]

[illegible]

[illegible]

[illegible]

On this day personally appeared [illegible] [illegible] executed in [illegible] [illegible] [illegible] [illegible]

[illegible]

[illegible]

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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-K137 (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

Austin
Hoffland
Chandler

SPOKANE MINING SYNDICATE, INC.

By Henry J Born II

President

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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 C. Mittendorf
Administrator, Defense Minerals Exploration Administration

SPOKANE MINING SYNDICATE, INC.

By Henry D. Ben
President

Robin Hoffland
Chairman

ANNEX I

The following provisions are in lieu of Article 25:

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:

(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
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Docket No. DMEA 525
(copper-zinc)

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AMENDMENT NO. 2

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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. Barn
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-K137
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. Andersen

Docket 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. F. Mittendorf
Administrator, Defense Minerals Exploration Administration

SPOKANE MINING SYNDICATE, INC.

Robert Chamber
Hodges

By Henry J. Barr
President

~~Docket~~ No. DMEA 525X
(copper-zinc)

AMENDMENT NO. 5

DOCKET 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. Gillis
Secretary

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

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.

Docket No. DMEA 5258 (Cu-Zn)

DOCKET COPY

AMENDMENT NO. 4

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., 720 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. A. 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

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SPOKANE MINING SYNDICATE, INC.
EXPLORATION PROJECT CONTRACT IDM-F137
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 MINING SYNDICATE, INC.
STELLA MILK 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 Wm. C. Gillis

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
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SPOKANE MINING SYNDICATE, INC.
Exploration Project Contract Idm-K137
Docket No. DMA 525I (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-K137
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 Mine 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 grade of said drifts and 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 5'; all pipe for air and water line and all necessary valves and fittings. The Corporation will also furnish all drill steel, bits, gas and oil for compressor, drill oil, and will install all necessary repairs. The Corporation will also furnish all powder, primers and fuse.

The Corporation agrees to have all equipment, materials, and supplies delivered at the portal of the mine at its expense, and if

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.

SPOKANE MINING SYNDICATE

By _____ President

Attest: _____ Secretary

CORPORATION.

Witness:

_____

_____

_____

Alfred Bertram Trall

INDEPENDENT CONTRACTOR.

AMENDMENT NO. 2

It is agreed this 28 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 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 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 August 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
(Operator)

By Von 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
1952

[illegible] MINING SYNDICATE, Inc.
Docket No. [illegible]
Contract No. [illegible]

Amendment No. [illegible]

Exhibit "F"

Changes and Modifications

In Exhibit "A" delete:

Items 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	4,500.00
2 Hine cars at $100 each	200.00
Total equipment value	$10,100.00

$10,100.00 depreciated over a period of 60 months (5 years)

$10,100.00 / 60 = $168.33 monthly rental allowed

In Exhibit "F" add:

Items 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	4,500.00	42.00
2 Hine cars at $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 winder	400.00

COLA 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 [signature]
President

[signature]
Secretary

The United States of America
By A. E. Weissenborn
A.E.Weissenborn, Exec. Officer
DMEA Field Team, Region II

MI-8[illegible]0
(June 1951)

D M A file

Docket No. DMA 525X
Commodity Cu Zn
Idm-E 137

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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 sole owner, in possession and entitled to possession, and that the property is subject only to the following liens, claims, or encumbrances: [illegible] which the subordination agreement of the lessor is attached.~~

(*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 Harry D. Bohm
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.

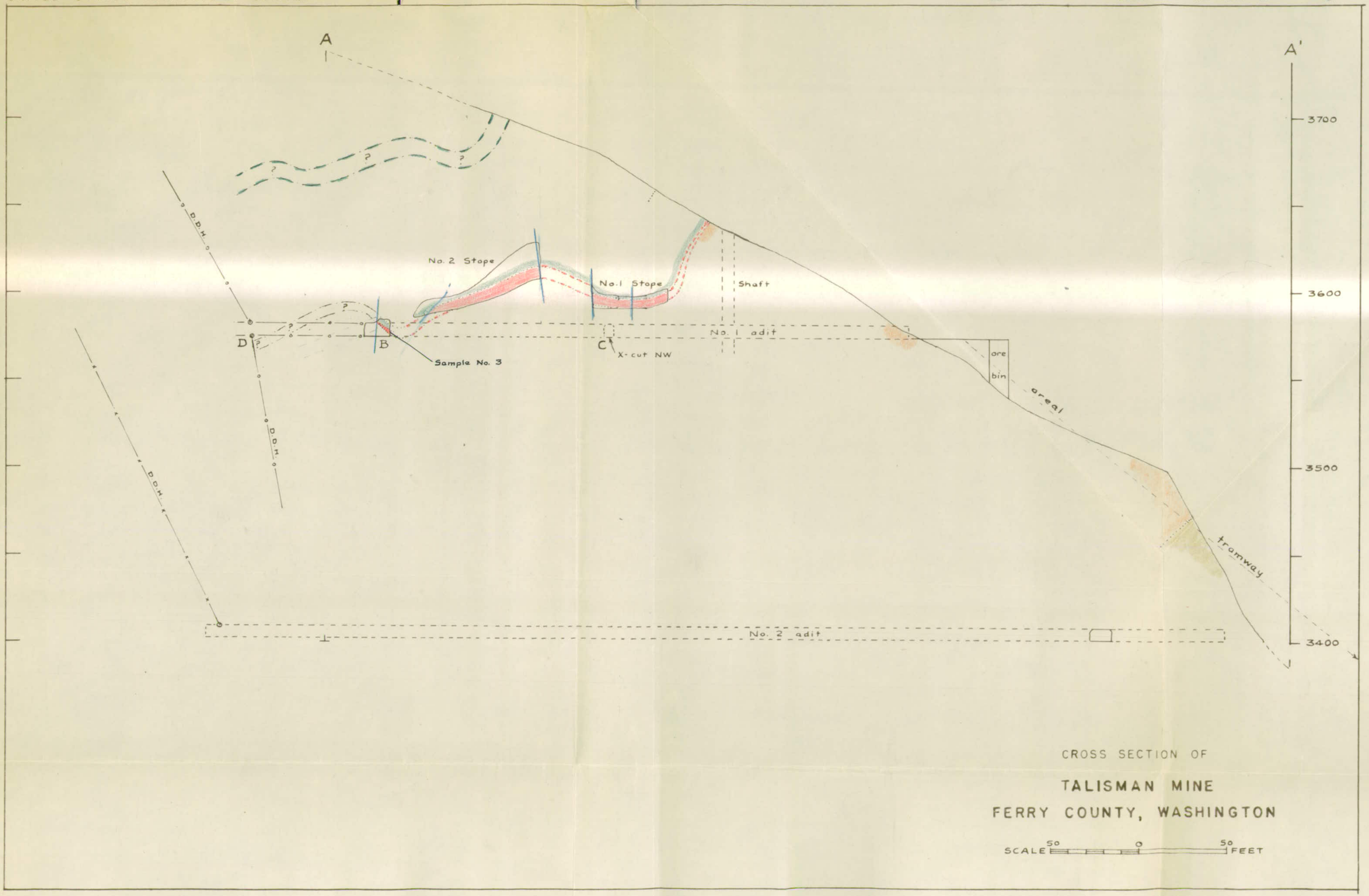
Don K. Bussick

Gale E Anderson

Glen L Brink

Ethel M B Brink

U. S. GOVERNMENT PRINTING OFFICE 940768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CROSS SECTION OF
TALISMAN MINE
FERRY COUNTY, WASHINGTON
SCALE 50 0 50 FEET

LARGE FORMAT DOCUMENTS AT END OF FILE

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 525 X

Date received 5/21/51

Participation

Talisman Mining and Leasing Co.
730 Peyton Bldg.,
Spokane, Wash.

Name and address of applicant

Date MAY-14TH 1951

FILL IN THIS BLOCK

Date of application

Estimated cost $50,000.00

Mineral or metal Zinc, copper, lead, Cadmium, silver and Bismuth

Percentage of Government participation 50%

Location of mine Laurier, Wash.

Date of filing MF-100 April 19th 1951

DMA Docket Number, if available dma 525 X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

TALISMAN MINING AND LEASING COMPANY
(Name of company)

By [signature]
(Signature of authorized official)

MAY 14TH 1951
(Date)

President
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

TALISMAN MINING AND LEASING CO.
730 Peyton Bldg.,
Spokane, Wash.

Form MF-103

1. See Form 100 submitted April 19th 1951.

2. Do.

3. Do.

4. Do.

5. Property purchased for $35,000.00 under Bond and Lease to be paid for out of 10% net smelter returns. (Owners, Glen Brink and Associates)

6. Talisman Mining and Leasing Co. are lesees of the property, and there are no claims nor liens against the property.

7. Copy of lease ~~attached~~. ON FILE, COMPANY OFFICE

8. Fincial statement attached.

9. $25,000 on a 50-50 basis. This will be sufficient to finance the development work contemplated.

10. The mining property on which the work is to be done consists of 11 mining claims, held by right of location, and known as the Snowbank Group and the Talisman Group. The property is located about 3/4 mile South West from the town of Laurier, Wash. on unsurveyed land.

11. The property is now known as the Talisman Mine. Formerly the Laurier Copper Mine.

12. See Form 100, submitted April 19th 1951.

13. Do.

14. Do.

15. The Talisman Mining and Leasing Co. has its own mill located on the Great Northern Ry. One-Half Mile from Laurier, Wash., and 1/4 mile from paved highway.

16. See Form 100, submitted April 19th 1951

17. Do.

18. Do.

19. Do.

TALISMAN MINING AND LEASING CO.
730 Peyton Bldg.,
Spokane, Wash.

20. Zinc, Copper, Lead, Cadmium, Silver and Bismuth.

21. A crosscut should be run South from the main haulage way between stope No. 1 and stope No.2 for about 75 ft. and short raises should be put up to prospect the vein as far as ore.shows

A second crosscut should be run Sputh on the vein to prospect the area South of the No.2 stope, about 75 ft.

A third crosscut should be run Northeast on the vein to prospect that area North of the No. 2 stope, about 75 ft.

The lower tunnel should be extended about 300 ft. with short drifts to right and left, and about 400 feet of raises.

The main orebodies on the Snowbank No.1 claim, or present workings should be diamond drilled to prove the extent of the ore, about 2200 feet of hole.

The large surface showings on the Talisman No.2 claim should be drilled, as it gives promise of a large orebody carrying Zinc, Lead, Copper and Silver. About 1400 feet of hole should be drilled.

Total tunnel, drifts and raises, approximately 925 feet, estimated cost $23,125.00

Total diamond drilling 3600 feet $18,000.

Re-habilitation of tramway to be able to haul supplies and equipment to the mine $2,000.00

Additional compressor and power $6,875.

Total proposed expenditure for exploration and development $50,000.00

TALISMAN MINING AND LEASING CO.
730 Peyton Bldg.,
Spokane, Wash.

22. This information together with maps furnished with former application Form MF 100 submitted on April 19th.

We have the ore in the present workings and it is not a matter of finding the ore; but rather to determine the extent of it, and to completely block it out.

23. (a) Labor, miners and muckers - 12 men crew. Muckers and general labor $11.50 per day - 8 hrs. Miners $12.50 per day

(b) 1 Supervisor $16.00 per day.

(c) Tramway repairs $2,000.00

(d) None

(e) Compressor - Additional - $6,875.

(f) None

(g) None

(h) Included in estimates under Item 21.

(i) Do.

24. Four to six months.

TALISMAN MINING AND LEASING COMPANY
730 PEYTON BUILDING
SPOKANE-WN

STATEMENT OF FINANCIAL CONDITION

AS OF FEBRUARY 12, 1951

ASSETS

Cash on Hand or in Bank	$ 275.79
Mining Property and Real Estate (Exclusive of Equipment)	77,023.82
Equipment	41,364.69
Leases	2,111.68
Other Assets(including deferred charges) - Development	134,944.00
Total	$255,719.98

LIABILITIES

Notes and Accounts Payable to:		
Stockholders	$ 31,985.02	
Others	9,408.44	
Accrued Expenses	1,181.42	$ 42,574.88
Total Current Liabilities		
Production Notes		
Purchase Contracts	35,000.00	
Total Fixed Liabilities		35,000.00
Other Liabilities, Attach Details		
Stock Outstanding:		
Common Shares 1,667,653 (number) Par Value 10 cents		166,765.30
Earned Surplus (Undivided surplus from earned income)		11,379.80
Total		$255,719.98

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 1 1951
LANDON E. STAUBEL
Executive Secretary

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dmm 5 & 5 X

Date received 5/21/51

Talisman Mining & Leasing Co.
730 Peyton Building
Spokane, Wash.

Name and address of applicant

Date April 19, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124–A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☒ Owner.
   - ☒ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Henry T. Born, Hayden Lake, Idaho.	President	None		200,000			
Sam Perry, 416 So.Rebecca,	Secretary	None		5,000			
Clifford Taylor, 608 South Denver,	Treasurer	None		1,000			
Walter Hagen, N. 2614 Lee Street.	V. Pres.	None		3,000			
John Sims , 922 West Riverside.	Director	None		15,000			
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 250,000.00	$ 166,765.00	$ 10¢	1,667,653	None
Preferred stock	$ None	$ None	$ None	None	None

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
		DAILY PRODUCTION			
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Copper	3000 lbs.	Concentrates	6 Tons	
	Lead	3000 "	"	2 "	
2. Quantity of product processed (specify unit of measure and type of process)	Zinc	16000 "	"	16 "	
	Silver	200 Oz.			
3. Quantity and grade of product sold or shipped (specify units of measure)	Cadmium	128 Lbs.	(Contained in Zinc)		
		(Good Mining can raise these amounts.)			

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

TALISMAN MINING AND LEASING COMPANY

730 Peyton Building
Spokane, Washington

1. Materials produced:

   (a) Zinc, copper, Lead, Cadmium, Silver and Bismuth.

   (b) None.

2. Name, Talisman Mine.

   (a) 200 feet.

   (b) 850 feet.

   (c) 1050 feet.

   (d) None.

   Mine is dry and there is no water problem.

3. Accessability:

   (a) 1/2 mile south of Laurier, Washington.

   (b) Orient, Washington.

   (c) Mine on unsurveyed land.

   (d) Ferry County, State of Washington.

4. (a) Mill is being operated on Custom Ore; Mine not in operation.

   (b) Property purchased for $35,000 on Bond and Lease, to be paid out of 10% smelter returns. (Owners Glen Brink and associates.)

   Above agreement expires June, 1954.

5. First operation in 1915 and spasmodical since. Production to start as soon as working capital available.

6. Mining and milling will be under the direction of Mr. Frank Eichelberger, formerly Vice-President and General Manager of Sunshine Mining Company at Wallace, Idaho, and J. W. Melrose who was formerly with the United States Geological Survey Water Resources Branch for four years. For three years Assistant Supervisor, State of Washington Division of Mines and Geology. For nine years, Chief Geologist for the Milwaukee Railroad, Mineral Development Department.

   We aim to hire the best men available for both mine and mill operations at all times.

TALISMAN MINING AND LEASING COMPANY

730 Peyton Building
Spokane, Washington

7. History:

(a) The mine was first in operation during World War I, but no accurrate records of production are available except as follows:

	Silver	Copper	Zinc
75,088 Lbs.	2.1	5.2	4.1
78,368 Lbs.	3.45	4.56	3.2

This only covers two shipments.

Approximately 25 cars of 50,000 lbs. each of crude ore was shipped to Grand Forks, B. C. Paid for on an average of 5% copper and 2 ounces silver.

Mr. Lee Eller, our engineer, estimates that there is approximately 15,000 tons of ore now available for mining and milling. However, we suggest that you send your own engineer and geologist to make a thorough and comprehensive examination of the property.

(b) No adjoining properties.

(c) Report of Lee Eller enclosed.

10. Production:

(3) See copies Smelter returns enclosed.

11. No immediate change contemplated.

12. See report of Mr. Eller enclosed.

13. Access Roads:

Paved State Highway, one-fourth mile from Mill.

14. Water Supply:

Kettle River.

15. Power:

Diesel Power, 220 H.P. Cost per hour, $2.60.
Gas Power, 40 H.P. Cost per hour, .50 cents.

16. Labor:

12 men.

17. Equipment and Facilities:

17. Equipment and Facilities:

Following mine equipment is at the mine:

One 210 cu. ft. Chicago Pneumatic Compressor with power.
One 105 cu. ft. Ingersol-Rand Compressor with power.
2 drifters
2 stopers
1 jack hammer
1 Slusher
1 Kohler Light plant
2 Mine cars and track
Misc. steel, bits, tools, etc.
Cook House and Bunk House for the accommodation of 12 men.
Tool house and compressor house
Misc. kitchen equipment - beds and mattresses.

There is a 75 ton capacity mill on the property equipped for copper and zinc flotation. Machinery consists of:

1 10x20 Pacific Jaw Crusher
1 Set Crushing Rools - 16x30
1 Hardinge Ball Mill 8' x 20"
1 Rake Type Classifier
1 Six Cell Flotation Unit of 30" Cells (Copper)
1 5x5 Conditioner
1 Six Cell Flotation Unit of 30" Cells (Zinc)
2 Sand Pumps
1 Four Leaf - Four Ft. Disc Filter complete with Vacuum Equipment.
Misc. Reagent Feeders, Conveyors, Motors, etc.

The Ball Mill is driven by a direct drive from a G.M. six cyl. Diesel Engine. The rest of the mill is electrically driven from a Diesel Electric unit of 75 KW. capacity.

1 2½ KW. light plant.

Water is pumped from the Kettle River 3000 ft. distant. Pump is gas driven.

There is a 100 ton coars ore bin and 100 ton fine ore bin. A three-compartment concentrate bin with a capacity of about a car load each.

There is a 3000 feet Riblet Jig Back Tramway connecting the mine with the Mill, with a capacity of 10 tons per hour.

18. All equipment is in first class condition, buildings are in good repair and everything favorable for immediate production.

TALISMAN MINING AND LEASING COMPANY

730 Peyton Building
Spokane, Washington

SCHEDULE OF EXPLORATION AND DEVELOPMENT:

A crosscut should be run from the main haulage way about 75 feet and short raises should be put up to prospect the vein as far as ore shows.

A second crosscut should be run south on the vein to prospect the area south of the No. 2 stope about 75 feet.

A third crosscut should be run northeast on the vein to prospect that area north of the stope about 75 feet.

The lower tunnel should be extended about 300 feet with short drifts to right and left and about 400 feet of raises.

The main ore bodies on the Snow Bank No. 1 or present workings should be diamond drilled to prove extent of ore, about 3000 feet of hole.

The large surface showings on the Talisman No. 2 should be drilled, as it gives promise of a large ore-body carrying Lead, Zinc, Copper and Silver with Lead predominating, about 1400 feet of hold should be drilled.

Total tunnel drifts raises 1125 feet, estimated cost $28,125.00.

Diamond drilling, 4400 feet, estimated cost $22,000.00.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)	10,000	10%	$41.56	$37.40	$8.00

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

TALISMAN MINING AND LEASING COMPANY
(Name of company)

By Henry D. Boyer
(Signature of ~~authorized official~~)

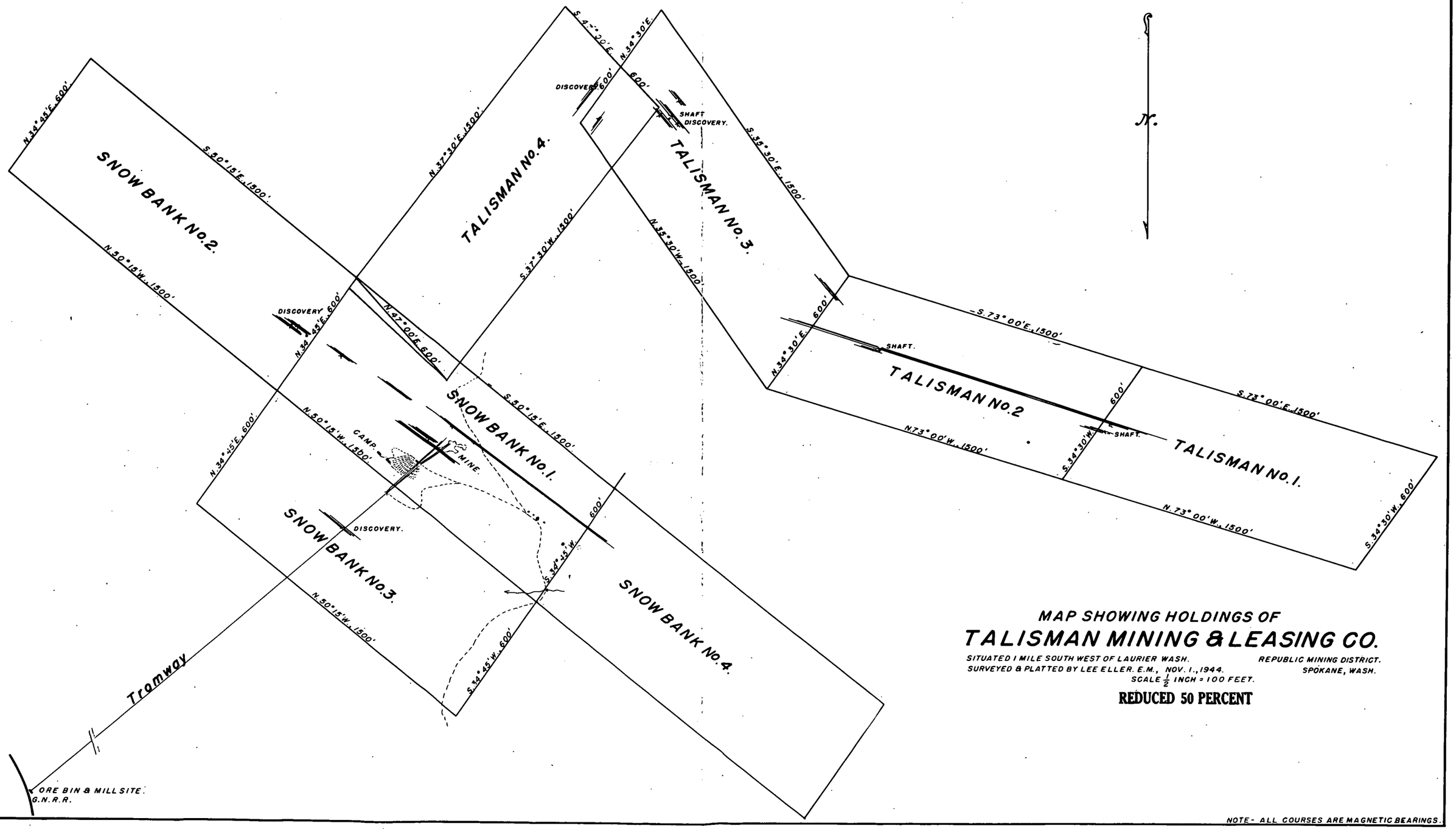
April 19, 1951
(Date)

President
(Title)

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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 1 1951
LANDON F. STROBEL
Executive Secretary



MAP SHOWING HOLDINGS OF

TALISMAN MINING & LEASING CO.

SITUATED 1 MILE SOUTH WEST OF LAURIER WASH. REPUBLIC MINING DISTRICT.

SURVEYED & PLATTED BY LEE ELLER. E.M., NOV. 1., 1944. SPOKANE, WASH.

SCALE $\frac{1}{2}$ INCH = 100 FEET.

REDUCED 50 PERCENT

NOTE- ALL COURSES ARE MAGNETIC BEARINGS.

RENEWAL LEASE

This indenture, made this 19th day of June, 1947, between Glen L. Brink and Ethel Brink, husband and wife, and Don K. Busick, and Gale E Anderson, parties of the first part, hereinafter referred to as the Lessors, and the Talisman Mining and Leasing Co., Inc., party of the second part, hereinafter referred to as the Lessee, witnesseth:

That whereas the Lessors are owners of, and Lessee is in possession of certain Snowbank Mining Claims in the Orient Mining District of Washington under a written Mining Lease with Option to Purchase, dated June 3, 1944 which will expire on June 3, 1949, and

Whereas the parties hereto desire to renew and extend said Mining Lease with Option to Purchase for a further period of Five Years upon the same terms and conditions as therein mentioned,

Now, therefore, in consideration of said claims and of One Dollar paid by Lessee to Lessors and of the mutual obligations of the parties hereto, it is hereby agreed between the parties as follows:

That said Mining Lease with Option to Purchase, of the Snowbank Claims mentioned above, dated June 3, 1944 be, and the same hereby is renewed and extended for a period of five years, commencing on the 3rd. day of June, 1949 and ending on the 3rd. day of June, 1954, upon the same terms, conditions, covenants and agreements as are contained in said Mining Lease with Option to Purchase of June 3, 1944.

In witness whereof, the Lessors have caused this indenture to be executed and have hereunto set their hands and seals, and the Lessee has caused same to be executed by its proper officers and its corporate seal to b e hereunto affixed the day and the year first above written.

Gale E Anderson

Glen L. Brink
Ethel Brink
Don K. Busick
by Glen L. Brink
Don K. Busick by his Attorney in fact.
LESSORS and OWNERS

TALISMAN MINING & LEASING CO. Inc.
by E E Anderson, President
Attest Brooks Simmons Secretary
LESSEES

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

State of Washington)
) ss
County of Spokane)

On this 19 day of June, 1947 before me personally appeared Glen L Brink and Ethel Brink, to me known to be the individual s described in and who executed the within and foregoing instrument and acknowledged that they signed and sealed the same as a voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year above written.

W B Chandler

NOTARY PUBLIC in and for the State of Washington, residing at Spokane

State of Washington)
) ss
County of Spokane)

On this ~~XXXX~~ 20 day of June, 1947 before me personally appeared C.O. Anderson and Brooks Kimmel, to me known to be the President and Secretary, respectively, of the Talisman Mining & Leasing Co., Inc., the corporation that executed the within and foregoing instrument, and acknowledged the same to be the voluntary act and deed of said corporation for the uses and purposed therein mentioned, and stated that they were authorized to execute said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year written above

Lauren N. Dillon

NOTARY PUBLIC in and for the State of Washington, residing at Spokane

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

Indexed ✓
Recorded ✓
Compared ✓
Proof Cop ✓

97550

STATE OF WASHINGTON,
COUNTY OF FERRY } ss.

I hereby certify that the within instrument was filed for record in the office of the County Auditor of said County,

on the 28th day of June A. D. 1947 at 8 o'clock and 2 minutes A.M., at the request of Tademan Mining & Leasing Co.

and recorded on 18 day of Aug 1947 in Book 2 of Leases Page 257

Hugh C. Maycumber
Auditor of Ferry County, Wash.

By L. McBrien
Deputy

Fee 1.40 Return Fee

When Recorded Mail To Above
Lewis Kimmell Seitz
723 N. Riverside
Spokane 8, Wash

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

State of Washington }
County of Spokane } ss

On this 19 day of June, 1947 before me personally appeared Gale E Anderson, to me known to be the individual ~~s~~ described in and who executed the within and foregoing instrument and acknowledged that he signed and sealed the same as a voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year above written.

W B Chandler

NOTARY PUBLIC in and for the State of Washington, residing at Spokane

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

STATE OF WASHINGTON, }
COUNTY OF SPOKANE. } ss.

SPOKANE TITLE COMPANY

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 19 day of June, 1947, personally appeared before me Glen L Busick, to me known to be the individual described in and who executed the within instrument in his own right and as attorney in fact for his principal Don K. Busick and acknowledged to me that he signed and sealed the same as his free and voluntary act and deed and as the free and voluntary act and deed of his said principal, for the uses and purposes therein mentioned, and on oath stated that the power of attorney authorizing the execution of this instrument has not been revoked and that his said principal is now living.

Given under my hand and official seal the day and year in this certificate above written.

W. B. Chandler

Notary Public for State of Washington,

Residing at Spokane

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210 HYDE BLDG.
SPOKANE 8, WASH.

The Snowbank No.1 Quartz lode Mining Claim, situate in the Orient Mining District, Ferry County, Wash. No.89914, filed for record in the office of the County Auditor of Ferry County on the 17th day of June 1942, and recorded in Book LL of Mineral Locations at Page 602.

And

The Snowbank No.2 Quartz lode Mining Claim situate in the Orient Mining District, Ferry County, Washington. No.89910 filed for record in the office of the County Auditor of Ferry County on the 17th day of June 1942, and recorded in Book LL of Mineral Locations at Page 598.

And

The Snowbank No.3 Quartz lode Mining Claim, situate in the Orient Mining District, Ferry County, Washington. No.89911 filed for record in the office of the County Auditor of Ferry County on the 17th day of June 1942, and recorded in Book LL of Mineral Locations at Page 599.

And

The Snowbank No.4 Quartz lode Mining Claim, situate in the Orient Mining District, Ferry County, Washington. No.89912 filed for record in the office of the County Auditor of Ferry County on the 17th day of June, 1942 and recorded in Book LL of Mineral Locations at Page 600.

And

The Snowbank No.5 Quartz lode Mining Claim, situate in the Orient Mining District, Ferry County, Washington. No.89913 filed for record in the office of the County Auditor of Ferry County on the 17th day of June 1942 and recorded in Book LL of Mineral Locations at Page 601

together with a Tramway, one anchor of which is on the above property and the other is across the right-of-way of the Great Northern Ry. on private property.

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210 HYDE BLDG.
SPOKANE 8, WASH.

MINING LEASE WITH OPTION TO PURCHASE

(Any State or Alaska)

This Indenture, *Made this* 3rd *day of* June

in the year of our Lord one thousand nine hundred and forty four

Between Glen L. Brink and Ethel Brink (his wife) and

Charles A. Moomaw *hereinafter designated the lessor*s *and*

R.L. Eller and John Sims and or Talisman Leasing Co. G.L.B. C.A.M.

*hereinafter designated the lessee*s.

*WITNESSETH, That the lessor*s, *for and in consideration of the rents, royalties, covenants and agreements hereinafter reserved, and by the lessee*s *to be paid, kept and performed granted, demised, leased and let, and by these presents do*es *grant, demise, lease and let unto the lessee*s

that certain mine and mining property situated in Orient *Mining District,* State *of* Washington *and more particularly described as follows, to-wit:*

Together with the appurtenances, and rights and privileges to prospect the same for gold, precious metals and minerals, and mine and extract the same, and to sell, mill or smelt or otherwise reduce the same.

*TO HAVE AND TO HOLD the same unto the said lessee*s, *for the term of* five (5) years *from date hereof, expiring at noon on the* 3rd *day of* June *A. D. 19*49 *unless sooner forfeited or determined through the violation of any covenant hereinafter against the said lessee*s *reserved.*

*And in consideration of the said lease, demise and privileges, the lessee*s *do*es *covenant and agree with the lessor*s *as follows, to-wit:*

To enter upon said mining claim and premises and work the same mining fashion, in manner necessary to good economical mining, so as to take out the greatest amount of ore, gold, precious metals and minerals, practicable with due regard to safety, development and preservation of the said premises as a workable mine, and that the lessees are to use their best judgement as to the method of mining and marketing the ore. The lessees further agree to start active mining in six months, and do sufficient work to cover the annual assessment on all claims covered by this contract.

To work and mine said premises as aforesaid [illegible] *from the date of this lease as weather and the season of the year will permit.* The lessees further agree that all adjoining locations, easements, and agreements appurtenant to the operation of the mine shall be made in the name of the lessors, and shall become part of this contract.

To keep all sluices, ditches, drains, waterways and passageways cleared of loose rock and rubbish, and to do all things necessary to promote the usefulness of said mining property as a whole mine, and to develop the same, and do no act thereon during the term of this lease, which would impede mining operations or impair the operating condition of said mining claim, and generally to so conduct operations as to conform to the laws of the United States and the State *of* Washington *and the local rules and regulations of miners in said mining district, and to do no act and suffer no default which might in any manner involve the said lessor*s, *or* their *ownership in said mining property, in liability of any kind or character.*, and notice to that effect to be posted on the property.

This blank is guaranteed against successful alteration, which guaranty is insured in LLOYD'S, London - Pat. Pend.
Washington Legal Blank Co., Seattle (Mining Lease) Printing Date 2-20-41 Form No. 219

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

To not locate or record said mining property, or allow the same to be recorded by anyone except the said lessors or agent. To not allow or permit any person or persons, except the said lessees agent or workmen, to take or hold possession of said premises, or any part thereof, under any pretense whatever.

To not assign this lease, or any interest thereunder, and to not sublet the said premises or any part thereof, without the written consent of said lessors.

To pay and to deliver to said lessors, as rent and royalty, Ten per cent. of the Net Smelter yield or other returns of all gold, minerals and precious metals to be extracted from said premises during said term, of like assay as that retained by said lessees, at such place as said lessors shall direct

and to allow said lessors to be present at each and every cleanup, or sampling of ore extracted, and to inspect and examine the same.

To deliver up to said lessors the said premises with the appurtenances and all improvements excepting rented equipment, such as drills and compressors. in good order and condition, and the mine in all points ready for continued working, (accidents not arising from negligence alone excusing), without demand of further notice, on said 3rd day of June, A. D. 1949, at noon, or at any time previous, upon demand for forfeiture.

Finally, upon the violation or failure to perform by said lessees, or any person under them, of any covenant or covenants hereinbefore reserved, the term of this lease, and all the rights and privileges thereunder, shall, at the option of ~~said~~ lessors, expire, and the same and said premises with the appurtenances shall at once become forfeited to said lessors, and the said lessors or their agent may thereupon, at the demand of possession in writing to be delivered to said lessees, or in their absence by posting said demand in a conspicuous place on said premises for the term of three days, enter upon said premises and dispossess all persons occupying the same, with or without force, and with or without process of law; or, at the option of said lessors, the said lessees and all persons found in occupation may be proceeded against as trespassers from the beginning of said term, both as to realty and the metals and minerals severed therefrom; or as guilty of unlawful detainer.

It is further agreed that the lessees shall have the right and option to purchase the above described property at any time before the 3rd day of June, 1949, upon the payment to the lessors or their assigns on or before said date, the sum of Thirty Five Thousand Dollars, provided that the lessees have theretofore performed and fulfilled all the conditions of this lease it is further agreed that all royalty payments will be considered part of the purchase price.

Time is of the essence of this agreement, and if said purchase and full payment shall not be made on or before said 3rd day of June, 1949, then all the right of the lessees to purchase said property shall without further action on the part of the lessors entirely and completely terminate and be at an end.

Each and every clause and covenant of this indenture shall extend to the heirs, executors and administrators of all parties hereto; and to the assigns of said lessors; and as said lessors may elect to the assigns of said lessees.

IN WITNESS WHEREOF the said parties, lessors and lessees have hereunto set their hands and seals.

Signed, Sealed and delivered in Presence of

Geo. L. Coburn
Ellen Steelhart

Glen L. Brink (SEAL)
Ethel M. B. Brink (SEAL)
Charles A. Moonaw (SEAL)
John Sims (SEAL)
R. Hetherington (SEAL)

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

State of Washington)
) SS
County of Spokane)

I, J. H. Gordon Notary Public in and for the state of Washington, residing at Spokane, Wash. do hereby certify that on this 13th day of Feb. 1945, personally appeared before me John Sims and R.L.Eller of Spokane, Wash. to me known to be the individuals described in and who executed the within instrument and acknowledged that they signed and sealed 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 13th day of January 1945.

J. H. Gordon
Notary Public in and for the State of Washington, residing at Spokane, Wash.

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

Individual Acknowledgment *(Alaska)*

UNITED STATES OF AMERICA,
TERRITORY OF ALASKA. } ss.

THIS IS TO CERTIFY that on this_____day of_____, 19____, before me the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned and sworn, personally appeared_____

_____

to me known to be the person_____ described in and who executed the above and foregoing instrument, and acknowledged to me that_____he_____ signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

_____

Notary Public for Alaska. My commission expires_____

STATE OF WASHINGTON,
County of Spokane } ss. (INDIVIDUAL ACKNOWLEDGMENT)

I, Katherine G. Orchard, Notary Public in and for the State of Washington, residing at Spokane, do hereby certify that on this 29th day of January, 1945, personally appeared before me Glen L. Brink, Ethel M. B. Brink and Charles A. Mosman

to me known to be the individual s described in and who executed the within instrument and acknowledged that they signed and sealed 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 29th day of January, 1945.

Katherine G. Orchard

Notary Public in and for the State of Washington, residing at Spokane in said County.

Number 97549

MINING LEASE
(WITH OPTION TO PURCHASE)

TO

FROM

STATE OF WASHINGTON
COUNTY OF

I hereby certify that the within instrument was filed for record at the request of the County Auditor of said County on the 28th day of January, 1945 at 8 o'clock A. M. and recorded on the 18th day of May, 1945 in Volume 25 of Leases, page 253

Hugh C. Macgregor
Auditor and Ex-Officio Clerk of the Board of Commissioners, Spokane County, Wash.
By R. McBride
Deputy

Fee 3.10

When Recorded Mail To: Grant Brewer, Attorney, 723 Paulsen Building, Spokane, Wash.

PHOTOSTAT COPY
STANDARD PRINT CO.
210 HYDE BLDG.
SPOKANE 8, WASH.

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133740

INSURED NO.

DATE DELIVERED

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

Cooper Trent

2 SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

James A. Moton

3 SHOW WHERE DELIVERED (*only if requested*)

c55—16—71548-10 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

DEC 17 1970

USPO

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER

Mr. Harold Kirkemo, Chief, Office of Minerals Ex

STREET AND NO. OR P.O. BOX

Department of the Interior USGS Rm. 4460

POST OFFICE, STATE, AND ZIP CODE

Washington, D. C. 20242

POD Form 3811 Apr. 1967 055—16—71648-10

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/15	Emerick	120E
		220

DEC 5 [illegible]

AIRMAIL

Mr. Don K. Busick
Post Office Box 97
Bainbridge Island, Washington 98110

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E 137

Dear Mr. Busick:

This is in reply to your letter of December 10, 1970 requesting reproductions of available material from the subject docket and enclosing your check in the amount of $10.00. The Geological Survey has discontinued providing such material at cost to individuals and companies, and therefore we are returning your check. Other arrangements have been made for you to obtain the material requested.

The following material is available:

1. Operator's Final Report - Talisman Project, dated September 17, 1954
   5 pages - one side - 8½" X 11"
   1 map - 12" X 17"

2. Fig. 1a - Composite Plan Map
   11 1/4" X 17"

3. Fig. 2 - Composite Plan Map of Underground Workings 14" X 21"

4. Fig. 3 - Geologic Map of No. 1 Adit
   14" X 21"

5. Fig. 4 - Geologic Map of Underground Workings above No. 1 Adit
   13 1/4"X 18"

6. Fig. 5 - Vertical Sections Showing Mineralized Zone (A-A', B-B', C-C', D-D', E-E')
20" X 23"

One or more copies of this material may be ordered from:

Cooper-Trent Division
Keuffel and Esser Co.
Wilson Boulevard at Danville Street
Arlington, Virginia 22201
Attention: Mr. Marvin Mundy

Cooper-Trent will contact you shortly regarding the cost of reproductions. Then please send the enclosed copy of this letter to the above address with remittance and your letter of instructions when ordering copies of this material.

All further correspondence relating to the procurement of copies of this material will be with the above company rather than with this office.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

For the Attention of Mr. Mundy:

Please return the enclosed material to:
Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey
Room 4460, Interior Department
Washington, D. C. 20242

WLEmerick/cac 12-15-70

cc: Director's reading file
Mineral Resources
OME reading file
Region 1
Mr. Emerick

P.O. Box 97
Bainbridge Isl., Wa. 98110
December 10, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 14
INITIALS
HR 120
WE 120 E

U.S. Geological Survey
U.S. Dept. of Interior
Office of Minerals Exploration
Washington 25, D.C.

Gentlemen:

Enclosed please find copies of a previous correspondence concerning available information regarding the former Talisman Mining & Leasing Co. in Ferry County, Washington.

Mr. Virgil Chamberlain had requested this information on behalf of the then and present owners, Mr. Gale Anderson and Mr. Don Busick.

The copies of the subject material have been misplaced and I am writing in hopes you can again reproduce and mail to us all available information. Please be sure to include cross sections AA, BB, CC, DD, & EE. A B for figures 2, 3, and 4. (See notation)

Also inclosed is my check for ten dollars ($10.00) and a copy of Proof of Labor on Mining Claim, notarized and recorded with Ferry County Auditor, Adeline M. Schreiber, for 1970

Your prompt attention to this matter will be greatly appreciated as we are in the process of planning operation of this mine next spring. We urgently request your reply as soon as possible.

Yours truly,

Don K. Busick

Don K. Busick

Send correspondence to:
Don K. Busick
P.O. Box 97
Bainbridge Isl., Wa. 98110

DKB/emb
Enclosures

370 Indexed ✓ Recorded ✓
Compared ✓ Paged 370 ✓
State of Washington, County of
Ferry, ss
RECORDED
10 Proof of Labor
Page Request of
Harold Shriner
July 11(11:55AM) 1970
Delmer M. Schreiber
County Auditor
Deputy
Mail to HAROLD SHRINER
Box 345
ORIENT, WA 99160
$2.00

157083 370

Legal Blanks for sale The Statesman-Examiner, Colville, Wn.

Proof of Labor on Mining Claim

STATE OF WASHINGTON, COUNTY OF fFERRY ss.

Harold Shriner being first duly sworn, on his oath says:

I am over the age of twenty-one years and well acquainted with the Snowbank Claims #1 #2 #3 and #4 and Talismen #1 #2 #3 and #4

Mining Claims situated in Orient Mining District, County of Ferry State of Washington; that during the month of July, 1970, at least Eight Hundred and 00/100 ------ 800.00 Dollars worth of work was performed, or improvements were made, upon said Mining Claims, said work and improvements consisting of Road Maintaince - Maintence of surface workings

That such expenditure was made by, for and at the expense of Don Busick and Gale Anderson the owners of said Claims, for the purpose of holding said claims for the year ended Sept. 1, 1970, as required by law.

Signed Harold Shriner

Subscribed and sworn to before me this 8th day of August, A. D., 1970

Robert R. Stamper Notary Public

Residing at Colville

ROBERT R. STAMPER NOTARY PUBLIC COMMISSION EXPIRES JAN 17 1971 STATE OF WASHINGTON

- COPY -

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

GEOLOGICAL SURVEY

AUG 2 3 1966

Mr. Gale E. Anderson
1918 - 14th Avenue South
Great Falls, Montana 59401

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Anderson:

We have your letter of August 1, 1966, enclosing your check in the amount of $10.00 to cover the cost of reproducing and mailing available information on the subject project.

Accordingly, we are enclosing copies of the following:

Operator's Final Report - Talisman Project, dated September 17, 1954.

Maps of the Talisman Mine:

Fig. 1a - Composite Plan Map
Fig. 2 - Composite Plan Map of Underground Workings
Fig. 3 - Geologic Map of No. 1 Adit
Fig. 4 - Geologic Map of Underground Workings Above No. 1 Adit
Fig. 5 - Vertical Sections Showing Mineralized Zone

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

Cross Sections A & B for fig 2, 3 & 4 were not incl

AA', BB', CC', DD', & EE'

COPY

1918 14th Avenue South
Great Falls, Montana 59401
September 1, 1966

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Department of the Interior
Office of Minerals Exploration
Geological Survey
Washington, D. C. 20052

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Johnson:

Apparently through an oversight, in your package to me under date of August 23, 1966, the maps showing cross section AA', BB', CC', DD' and EE' for Figures 2, 3 and 4 were omitted. Would you be so kind as to forward these at your very earliest convenience.

Thank you.

Yours very truly,

Gale E. Anderson

COPY

1918 14th Avenue South
Great Falls, Montana 59401
August 1, 1966

U. S. Geological Survey
Washington, D. C. 20242

Gentlemen:

Enclosed please find my check to cover the cost of reproducing and mailing available information regarding the former Talisman Mining and Leasing Company in Ferry County, Washington, of which I am one of the owners.

This request is in line with information Senator Lee Metcalf received from Mr. J. Cordell Moore, Assistant Secretary of the Interior in June of this year which was passed on to Mr. Virgil Chamberlain, Geologist, of Great Falls, Montana.

Your early attention to this matter will be appreciated.

Yours very truly,

Gale E. Anderson

Enclosure

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 28 1966

Dear Senator Metcalf:

We have your letter of June 13, 1966, and enclosures relating to the request of Mr. Virgil R. Chamberlain for certain information concerning the Talisman claims in Ferry County, Washington.

Since the documents enclosed with Mr. Chamberlain's letter to you indicate that the Spokane Mining Syndicate, Inc., (formerly Talisman Mining and Leasing Company) the Operator under a contract with the former Defense Minerals Exploration Administration, no longer has an interest in the Talisman claims, available factual information may be released to the owners of the property.

A charge of $10.00 will be made to cover the cost of reproducing and mailing the available information. A check or Money Order in this amount payable to the U. S. Geological Survey should be forwarded to the U. S. Geological Survey, Washington, D. C. 20242. If the information is to be sent to Mr. Chamberlain a letter from the owners of the property authorizing such action also should be furnished the Geological Survey as indicated in our letter to you of April 14, 1966.

Mr. Chamberlain's letter to you and enclosures are returned as requested.

Sincerely yours,

Assistant Secretary of the Interior

Hon. Lee Metcalf
United States Senate
Washington, D. C. 20510

Enclosures

JUN 29 1966

COPY

RUSSELL B. LONG, LA., CHAIRMAN
GEORGE A. SMATHERS, FLA.
CLINTON P. ANDERSON, N. MEX.
PAUL H. DOUGLAS, ILL.
FRANK CARLSON, KANS.
WALLACE F. BENNETT, UTAH
CARL T. CURTIS, NEBR.
THRUSTON B. MORTON, KY.
EVERETT McKINLEY DIRKSEN, ILL.
JOHN J. WILLIAMS, DEL.
HERMAN E. TALMADGE, GA.
EUGENE J. McCARTHY, MINN.
WALTER F. GEORGE, GA.
J. W. FULBRIGHT, ARK.
ABRAHAM RIBICOFF, CONN.
LEE METCALF, MONT.
TOM VAIL, CHIEF COUNSEL

United States Senate

COMMITTEE ON FINANCE

Zip Code 20510

29 June 1966

Mr. Virgil R. Chamberlain
3615 7th Avenue South
Great Falls, Montana

Dear Mr. Chamberlain:

I am attaching a report from Assistant Secretary of the Interior J. Cordell Moore regarding available factual information concerning the Talisman claims in Ferry County, Washington, in which you are interested.

If I can be of further assistance, please let me know. You will note there is a charge of $10.00 to cover the cost of the information you desire, and it is necessary that the owners of the property authorize by letter the releasing of the information to you.

With best wishes.

Very truly yours,

Lee Metcalf

Encl.

COPY

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1.		
2.		
3.		
4.		
5.		
FROM:		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Letrs: Sen Metcalf and answers filed under congressional. letr. 6/28/66 and 4/14/66.

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: W. P. Klugescheid November 4, 1955

1. Docket No. DMEA-525X (Copper-Zinc)
Contract No. Idm-E137
Property: Talisman Mine
Ferry County, Washington

Operator: Spokane Mining Syndicate, Inc.
Assignee of Talisman Mining & Leasing Company
730 Peyton Building
Spokane 8, Washington

Operator's Property Rights: Lessee
Landlord's Subordination Agreement
Dated August 18, 1951.

2. Contract dated September 7, 1951, issued to Talisman Mining & Leasing Co.
To complete - 12 months.

Work Authorized

STAGE I

175 feet of crosscutting @ $30.00/ft.	$ 5,250.00
500 feet of drifting @ $30.00/ft.	15,000.00
150 feet of raising @ $25.00/ft.	3,750.00
600 feet of diamond drilling @ $7.50/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.

STAGE II

1,000 feet of diamond drilling @ $7.50/ft.	$ 7,500.00
100 feet of crosscutting @ $30.00/ft.	3,000.00
Rehabilitate Adit No. 2 for diamond drilling	1,000.00
50 feet of raising @ $25.00/ft.	1,250.00
Total cost of Stage II	$12,750.00
Total cost of Stage I	$31,250.00
Total cost of Stage II	12,750.00
Total estimated cost of the project	$44,000.00
Government participation at 50%	$22,000.00

Assignment of contract dated May 1, 1952.

The contract was assigned by the Talisman Mining & Leasing Company, Inc. to the Spokane Mining Syndicate, Inc. This instrument was not signed by the Government.

Consent to Assignment dated July 8, 1952.

This is signed consent by the Government to the assignment of the exploration contract, as well as consent to the assignment of the other management contracts involved in this project.

AMENDMENTS

No. 1 Dated September 17, 1952.

Extended completion period to 22 months from 12 months.

No. 2 Dated October 28, 1952.

Made some changes in equipment to be furnished by the Operator and also some equipment to be purchased by the Operator. No increase in total cost of the project.

No. 3 Dated October 29, 1952.

Set a maximum cost of labor per foot for crosscuts, drifts, and raises. No increase in total cost of the project.

Amendments (continued)

No. 4 Dated December 8, 1952.

Allowed improvements and purchase of equipment for winter operations. No increase in total cost of the project.

No. 5 Dated January 23, 1953.

In Exhibit "A" under "Estimated Cost of Stage I", delete:

600 feet of diamond drilling @ $7.50/ft.	$4,500.00
ADD:	
Long hole drilling @ $1.00/ft. and diamond drilling @ $7.50/ft.	$4,500.00

No increase in total cost of the project.

No. 6 Dated June 26, 1953.

Increased completion period to 27 months. Royalty period was increased to 12 years. No increase in total cost of the project.

No. 7 Dated July 28, 1953.

(1) In Exhibit "A" under Estimated Cost of Stage I, as amended by Amendment No. 5, delete:

Long hole drilling @ $1.00/ft. Diamond drilling @$7.50/ft.	$4,500.00

Substitute:

151 feet of long hole drilling @$1.038/ft.	$ 156.74
Drifting, crosscutting and raising from No. 2 stope	2,443.26
Repairs and rehabilitation of tramway	1,900.00
Total	$4,500.00

(2) In Exhibit "A" under Exploration Project - Stage I, Delete:

Item 7. Diamond drill a maximum of 600 feet from point "D".

Substitue:

69 feet of drifting, crosscutting, and raising from No. 2 stope.

Amendments (continued)

No. 8 Dated February 10, 1954.

Increases completion period to 36 months. Substitutes Annex I for Article 15 of the contract form as amended in Amendment No. 6.

No. 9 Dated May 7, 1954.

Concerns royalty payments under the contract. No increase in total cost of the project.

Termination Agreement dated July 29, 1954.

Work Completed.

550 feet of drifting & crosscutting @ $40.41	$22,225.44
185 feet of raising @ $40.41	7,475.83
151 feet of long hole drilling @ $1.038	156.74
Rehabilitation and repairs	1,981.83
New buildings, improvements etc.	63.69
Total cost of the project	$31,903.53
Government's participation @ 50%	$ 15,951.76

3. Audit - Audit certificate issued December 1, 1954.

Total cost as billed by Contractor	$32,907.89
Exceptions during the audit	17.86
	$32,890.03
Less proceeds from disposition of property	986.50
Total accepted cost	$31,903.53
Government's participation @ 50%	$15,951.76

4. Certification of Discovery - dated October 4, 1954.

Ore reserves: 2,413 tons with a grade of 1.5% copper and 4.5% zinc.

5. Comments

The purpose of the project was to explore for extensions of an ore body which had previously been explored on two adit levels. There are two stopes above the upper adit from which approximately 5,000 tons of rock have been mined. Evidence in surface prospects and the underground workings suggested that the ore might widen toward the northwest, southwest and southeast of the stoped area.

An exploration drift found an extension of the ore zone on the upper adit level a few feet to the west of the stoped area. Short, intermediate drifts from the stope above the adit level exposed small extensions of the ore zone. A large proportion of the DMEA workings were in barren ground, and actually very few tons of new ore were indicated by the work which was done.

It was necessary to terminate the contract before the work was completed because the Operator was unsuccessful in renewing his lease on the property. None of the diamond drilling was done.

The total amount of royalty paid to date to the Government is $6.95.

The Talisman mine is near the crest of a steep, east-facing cliff composed of an alternating series of basic to acidic gneisses and schists, the foliation of which strikes in a general northwest direction and dips flatly to the west and southwest. This series of gneisses and schists is cut by numerous faults, most of which strike in a general northerly direction and dip very steeply, either to the east or to the west.

In general outline the mineralized zone is a tabular-shaped body, concordant with the foliation in the enclosing rocks. The ore zone strikes about N 75° W and dips from 10° to 35° SW. The thickness of the ore zone varies from a few inches to more than six feet.

The ore minerals are sphalerite, chalcopyrite, minor galena and scattered scheelite.

Government participation in future exploration at the Talisman mine is not recommended. The geologic problem is very complex here.

W. P. Klugescheid

W. P. Klugescheid

WPK/er

Copy to: Docket
Base Metals
Chron.

☒ Audited

☒ Certified

Na[redacted] SPOKANE MINING SYNDICATE, INC.

State WASHINGTON

[redacted]K ANALYSIS SHEET - DMEA PROJEC[redacted]

Analysis as of 10/4/55

Incl. Voucher for July + Aug 1954 + Audit

Commodity COPPER-ZINC

☒ Actual Cost

☐ Agreed Unit Costs

Docket No. 525

Idm-E No. 137

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting per foot 40.25 40.41	775'	$23,250.00	550'	$22,137.56	$22,225.44
Raising per foot 40.25 40.41	185'	7,475.83	185'	7,446.27	7,475.83
Shafts					
Winzes					
Drilling (Specify) Long Hole	151'	156.74	151'	156.74	156.74
Drilling (Specify) Diamond	1,000'	7,500.00			
Su[redacted]ce Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		1,950.00		1,103.94	753.94
Surface Rehabilitation & Repairs		2,442.43		1,981.83	1,981.83
Underground Rehabilitation		1,000.00			
New Building, Improvements, etc.		225.00		63.69	63.69
Other (Specify)					
Totals		$44,000.00		$32,890.03	$31,903.53

Terminated

Recopied

Salvage Proceeds.

Explosives $101.50
Bra[redacted] 35.00
Repair Parts 500.00 } 636.50
Equipment Purchases 350.00

$986.50

Equipment Purchased $753.94
Salvage Proceeds − 636.50
Increase for net cost + 117.54 distributed to Drifting, Crosscutting + Raising

Prepared by W. P. Hugenschmidt

Royalty payments paid to 12/31/55 = $6.95
" " due $126.94

Royalty payment expiration date Sept. 7, 1963.

Ore Reserve Estimate: 2,413 tons 1.5% Cu. 4.5% Zn

71626

☒ Audited

☒ Certified

W[redacted]K ANALYSIS SHEET - DMEA PROJECT[redacted]

Analysis as of 3/30/55.
Incl. Voucher for July + Aug 1954.

☒ Actual Cost

☐ Agreed Unit Costs

Nam[redacted] SPOKANE MINING SYNDICATE, INC.

Docket No. 525

State WASHINGTON

Commodity COPPER-ZINC.

Idm-E No. 137

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	775'	23,250.00	550'	$20,019.30	$21,144.91
Raising	185'	6,650.74	185	6,650.74	7,024.69
Shafts					
Winzes	151'	156.74		156.74	
Drilling (Specify) Long Holes.	181'	187.88	151'	156.74	156.74
Drilling (Specify) Diamond	1000'	7,500.00	—	—	—
Sur[redacted]e Excavation					
Underground Excavation					
Roads and Trails		1103.94		1103.94	753.94
Operating Equipment Purchased		1,107.21		1107.21	757.21
Surface Rehabilitation & Repairs		4,150.00		4,150.00	3,650.00
Underground Rehabilitation		186.82			
New Building, Improvements, etc.		225.00		63.69	63.69
Other (Specify) Dismantling		742.35		742.35	742.35
Totals		44,000.00		$32,890.03	$31,903.53

Terminated.

19,988.16
− 35.00
19,953.16
− 76.12
19,877.04
567.91
20,444.95

6,650.74
− 25.38
6,625.36
+ 189.30
6,814.66

Salvage Proceeds
Sp[redacted]ures $101.50
35.00
Equip. Purchases 350.00
Repair Parts 500.00
$986.50

Prepared by W. P. Klingenschmid.

(over)

71626

19,953.16	101.50	757.21
6,650.74		
26,603.90	76.12	567.91
	25.38	189.30
	101.50	757.21

☐ Audited

☑ Certified

W[redacted]K ANALYSIS SHEET - DMEA PROJEC[redacted]

Analysis as of 12/15/54
Incl. Voucher for Feb.-54

☑ Actual Cost

☐ Agreed Unit Costs

Nam[redacted] Spokane Mining Syndicate, Inc.

Docket No. 525

State Washington

Commodity Copper-zinc

Idm-E No. 137

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	775	21,016.21	556	19,988.16	19,988.16
Raising	200	4,518.05	185	6,650.74	6,650.74
Shafts					
Winzes					
Drilling (Specify) Long hole	151	156.44	181	187.88	187.88
Diamond	1,000	2,500.00	0	00	00
Sur[redacted]e Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		2,134.00		1,107.21	1,107.21
Surface Rehabilitation & Repairs		7,450.00		4,150.00	4,150.00
Underground Rehabilitation		1,000.00		00	00
New Building, Improvements, etc.		225.00		63.69	63.69
Other (Specify)					
Totals		44,000.00		32,147.68	32,147.68

Prepared by FEJ

71626

Actual

Spokane Mining Syndicate – Washington – 5 of 5

Stage I

(5'x8') 675' Drifting @ 30.00 — $ 20,250.00

151' Longhole Drilling @ 1.038 — 156.74

Drifting, Crosscutting & Raising — 2443.26

(4'x5') 150' Raising @ 25.00 — 3,750.00

~~D.D. @ 7.50 and Long Hole Drill @ 1.00~~ Repairs & Rehab of Trans — 1,900.00

~~600' D.D. @ 7.50~~ — ~~4,500.00~~

Equip. Purchase — 1900.00 — 184.00 + 1,950.00

Rehab. — 484.00 — 2,250.00

~~Misc. Supplies~~ Bldgs. — 225.00 ~~500.00~~

31,250.00

Stage II

1,000' D.D. @ 7.50 — 7,500.00

100' XCS @ 30.00 — 3,000.00

Rehab. — 1,000.00

50' Raising @ 25.00 — 1,250.00

$ 12,750.00

$ 44,000.00

Spent.

445'	15,997.72
111'	3,990.44
556' Dev + XBS	$19,988.16
185' Raising	6,650.74
181' Long Hole Drilling	187.88
Equip. Purchased	1,107.21
[redacted]. Rehab + Repairs	4,150.00
New Bldgs	63.69
Dismantling	858.72

Final Audit.

MF-104	$32,907.89
Exceptions	17.86
	32,890.03
Proceeds from Disp. of Property	986.50
	$31,903.53

Salvage Proceeds

[redacted]lbxes	$101.50
[redacted]	35.00
Equip Purchases	350.00
Repair Parts.	500.00
	$986.50

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/28/70		120
		220

MAY 28 1970

Mrs. L. B. Knitter
3294 N. W. 69th Street
Miami, Florida 33147

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mrs. Knitter:

This is in reply to your letter of May 14, 1970, requesting information on the present status of two mining companies in which you hold stock.

We understand that the Talisman Mining and Leasing Company and Spokane Mining Syndicate, Inc., were dissolved as corporate entities on July 1, 1960, and July 1, 1963, respectively. We have no information regarding disposition of stock in these companies.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading file
Mineral Resources
OME docket
OME Reading file
OME Region I w/cy incoming letter
Mr. Kirkemo

HKirkemo/gla 5-28-70

3294 N. W. 69 st
Miami, Fla. 33147
May 14 - 1970

G. S. A. Dept. of Interior
Div. Defense Minerals Exploration Adm.
F Bet 18 & 19 N. W.
C Bet 18 & 19 N. W.
Washington, D.C.

DMA-CC.
525

Dear Sir:-

My late husband (Mr. J. Knutter) has left me certificates of stock, of which I remember reading that G.S.A. granted some loan for tungsten mining, land was bordering Great Northern Railway.

The certificates are Spokane Mining Syndicate Inc. (Wash.)
Pres. H. Barr
Don Gillis - Sectry.

also Talesman Mining Leasing Corp. (Colorado)
Certificates were purchased in 1955-2
The president of Co. was H. Barr
S. Perry - Sectry.

I've tried tracing thru various Registrars and Co's.

I would greatly appreciate any information you may have, regarding these stock - my means are very limited, too limited to continue search thru Search Co.

Thanking you
Sincerely
(Mrs. J. Knutter)
Mrs Bernette Knutter

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/9		120
	On leave	110
		220

AIRMAIL

SEP 9 1966

Mr. Gale E. Anderson
1918 - 14th Avenue South
Great Falls, Montana 59401

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Anderson:

This is in reply to your letter dated September 1, 1966, calling our attention to the omission of Figure 5 entitled "Vertical Sections Showing Mineralized Zone" from our transmittal dated August 23, 1966. We are enclosing herewith a copy, and hope that you were not inconvenienced by the lack of the figure.

Sincerely yours,

Harold Kirkemo (PK)

Harold Kirkemo
Acting Chief, Office
of Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Region I
OME Reading File
Mr. Kirkemo

HKirkemo/gla 9-9-66

23263

DMEA-523 9/7/66
Talisman Mine

Phoned MacLaren today and asked him to run a print from the tracing or negative for Figure 5 and mail it to us. This will save many days in securing a copy for Mr. Anderson, and will also show transmittal source to be here rather than a Regional Office.

Kirbemo

Copy received Sept. 9
& forwarded to Mr. Anderson
H.K

1918 14th Avenue South
Great Falls, Montana 59401
September 1, 1966

OFFICIAL COPY
SEPT 66
1 10
HK 120K
220

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Department of the Interior
Office of Minerals Exploration
Geological Survey
Washington, D. C. 20052

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Johnson:

Apparently through an oversight, in your package to me under date of August 23, 1966, the maps showing cross section AA', BB', CC', DD' and EE' for Figures 2, 3 and 4 were omitted. Would you be so kind as to forward these at your very earliest convenience.

Thank you.

Yours very truly,

Gale E. Anderson

Gale E. Anderson

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/23		110
		220

AUG 23 1966

Mr. Gale E. Anderson
1918 - 14th Avenue South
Great Falls, Montana 59401

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Anderson:

We have your letter of August 1, 1966, enclosing your check in the amount of $10.00 to cover the cost of reproducing and mailing available information on the subject project.

Accordingly, we are enclosing copies of the following:

Operator's Final Report - Talisman Project, dated September 17, 1954.

Maps of the Talisman Mine:

Fig. 1a - Composite Plan Map
Fig. 2 - Composite Plan Map of Underground Workings
Fig. 3 - Geologic Map of No. 1 Adit
Fig. 4 - Geologic Map of Underground Workings Above No. 1 Adit
Fig. 5 - Vertical Sections Showing Mineralized Zone

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File ✓
OME Region I
OME Reading File

FEJohnson/gla 8-23-66

23263

Mr Frank Johnson
R-4460
Intown

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 15 1966
ENTITY CODE
110

1918 14th Avenue South
Great Falls, Montana 59401
August 1, 1966

DMA525
E137

The Johnson Check
went to B+78/N
ce,

U. S. Geological Survey
Washington, D. C. 20242

Gentlemen:

Enclosed please find my check to cover the cost of reproducing and mailing available information regarding the former Talisman Mining and Leasing Company in Ferry County, Washington, of which I am one of the owners.

This request is in line with information Senator Lee Metcalf received from Mr. J. Cordell Moore, Assistant Secretary of the Interior in June of this year which was passed on to Mr. Virgil Chamberlain, Geologist, of Great Falls, Montana.

Your early attention to this matter will be appreciated.

Yours very truly,

Gale C Anderson

Gale E. Anderson

Enclosure check for $10.00

J Cordell Moore
Reply for 4-14-66
Bureau of Mines

Letter (Ack) June 13, 1966

Jim Holiday (checking)

X 2657

180

June 28, 1966
Reply.

183 X

RECEIVED
U. S. GEOLOGICAL SURVEY
WASH. DIST. SECT.

AUG 10 1966

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY

TO: Budget and Finance

FROM: Office of Minerals Exploration

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
8/3/66	$10.00	First Westside Natl' Bk. Great Falls, Montana	Gale E. Anderson	DMA-525 E-137	Duplicating final rpt.

REMARKS: (List smelter or mill lot numbers covered by royalties)

8/15/66
Date Prepared

Person Preparing Abstract

Date Received

Person Receiving Remittance

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		500
5/6		800
		120
5/6		110
9		100
		220

MAY 7 - 1964

Mr. Don K. Busick
4305 W. 166th Street
Lawndale, California

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. Busick:

Enclosed is a self-explanatory letter of today to Mr. Gale E. Anderson.

This correspondence relates to the Landlord's Subordination Agreement executed by you on August 18, 1951.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
5/6/64
cc: Director's Reading File
Region I
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Brunner	500
5/6	Talbert	800
	Selfridge	120
5/6	Gilmore	110
9	[illegible]	100
		220

Talisman Mining and Leasing Company
730 Peyton Building
Spokane, Washington

MAY 7 - 1964

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicates, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Gentlemen:

Enclosed is a self-explanatory letter of today to Mr. Gale E. Anderson.

This correspondence relates to the contract executed by your company on September 7, 1951, under the Defense Minerals Exploration Administration program which has been succeeded by the Office of Minerals Exploration.

Sincerely yours,

George Fumich, Jr.
Acting Director

Enclosure

WRGriswold/mm
5/6/64
cc: Director's Reading File
Region I
Docket
Code 500

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Gunnel	500
5/6	Talbot	800
	Selfridge	120
5/6	Anderson	110
	Fumich	100
		220

MAY 7 - 1964

Mr. and Mrs. Glen L. Brink
4118 McCall Blvd.
Bremerton, Washington

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicates, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Mr. and Mrs. Brink:

Enclosed is a self-explanatory letter of today to Mr. Gale E. Anderson.

This correspondence relates to the Landlord's Subordination Agreement executed by you on August 18, 1951.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
5/6/64
cc: Director's Reading File
Region I
Docket
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
April 29, 1964

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 5 1964

DATE	INITIALS	CODE
5/5		800
		~~500~~

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-E137

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

D. R. MacLaren

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

February 20, 1964

Mr. Gale E. Anderson
~~P. O. Box 856~~
Great Falls, Montana

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Dear Sir:

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

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

We have had no reply to a similar request mailed to the Operator; therefore, we are requesting this information from you as one of the signers of a Landlord's Subordination Agreement on August 18, 1951, which is a part of the subject contract.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 5 1964

DATE	INITIALS	CODE
5/5		800
		100
5/5		~~110~~
		500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 10, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since May 10, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Gale Anderson Title

Address ~~P.O. Box 856 Gt Falls Mont~~ 1918 14th ave So Date

4511

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/15	Talbot	800
"	[illegible]	130
"	[illegible]	110
"	[illegible]	100
		220

APR 16 1964

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Form 63's have been sent to Mark H. Copley, secretary of the Spokane Company, and to Gale E. Anderson (part owner) to no purpose. Have you any information as to possible production since May 10, 1962? If not, can it be obtained?

W. R. Griswold
mm

WRGriswold/mm
4/14/64
cc: Director's Reading File
Review Committee
Docket
Code 500

23263

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

August 21, 1963

Re: DMA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc
Talisman Mine
Ferry County, Washington
Contract Idm-8137

Mr. Mark H. Copley
Secretary
Spokane Mining Syndicate
314 West 7th
Spokane, Washington

Dear Sir:

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

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

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 10, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since May 10, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

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

	Quantity	Value
_____		
_____	_____	_____

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

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

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

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

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

So. 157 Howard Street
Spokane 4, Washington
May 25, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 28 1962

INITIALS	CODE
5/28	800
"	500
	320

Memorandum

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

From: Acting Field Officer, OME, Region I

Subject: DMI-525X (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-E137

There is enclosed a Report of Royalty Review dated May 18, 1962, made for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Talisman Mine, located in Ferry County, Washington, during the period August 1, 1959, through May 10, 1962.

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

D. R. MacLaren

Enclosure

DRMaclaren:my
cc: CA&A Div., OME
OME, CPS
Reading copies to:
Nolan
Hobbs
Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

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-525K (Copper-Zinc)
Spokane Mining Syndicate, Inc., Assignee
Talisman Mine
Ferry County, Washington
Contract Idm-8137

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

43683

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

MAY 2 1962

Re: DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract Idm-E137

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1962

DATE	INITIALS	
5/15		800
5-18		100
5/18		110
		500
		220

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

Gentlemen:

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

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

Sincerely yours,

Willis R. Griswold

Willis R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 8, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since September 8, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

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

Type	Quantity	Estimated Grade	Location
Ore	NONE Tons		
Concentrates	Tons		
Other	Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Marie H. Copley, Title Sec.

Address 314 W. 7th Spokane Wn Date MAY 10 1962

4511

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 6 1959

DATE	INITIALS	
7-6	gad	vro
7-6	[illegible]	8.00
7-7	[illegible]	5.00
		225

1201 N. Division St.
Spokane 2, Washington

June 26, 1959

Mr. Gale E. Anderson
P. O. Box 856
Great Falls, Montana

Re: Docket No. DMEA-525 (copper-zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. I4m-K137

Dear Mr. Anderson:

This is in reply to your letter of June 17, 1959, reiterating your request for maps, factual data and information on results of the DMEA work done at the Talisman mine.

As stated in our June 15 letter, we do not have the authority to release information on results of DMEA projects. In this connection we suggest that you write directly to Mr. Frank E. Johnson, Acting Director, Office of Minerals Exploration, Department of the Interior, Washington 25, D. C.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
OME Field Team, Region I

cc: OME (2)
USGS(2)

P. O. Box [illegible]
Great Falls, Montana
June 17, 1[illegible]

Mr. Wing S. Agnew
Acting Executive Officer
Field Team, Region 1
U. S. Department of The Interior
Office of Minerals Exploration
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. 525X (Cu, Zn)
Spokane Mining Syndicate
Talisman Mine
Ferry County, Washington
Contract No. Idm-E137

Dear Mr. Agnew:

Thank you for your letter of June 15th in answer to our recent letter in which we requested maps, factual data and information on results of work done at the Talisman mine.

We do not understand why this information cannot be released to us as we were the owners of record and still are the owners of record of the claims at the time the Talisman Mining Company had the tests done, and we gave them permission to have these reports taken. Therefore, we feel these reports should be available to us and would very much appreciate receiving the same.

Thank you for your cooperation in this matter.

Yours very truly,

Gale Anderson

Gale E. Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington
February 17, 1956

Mr. Henry T. Born, President
Spokane Mining Syndicate, Inc.
424 Kuhn Building
Spokane 1, Washington

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

Dear Mr. Born:

The Washington office of DMEA has rejected your protest of January 23, 1956 concerning the payment of $126.94 in delinquent royalties. The rejection was based on the Certification of Discovery issued on October 4, 1954, and on Annex I to Amendment No. 8 which states in part: "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 ... from the date of the contract ...."

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I
Northwest District

cc: DMEA (2)
USGS (2)
USBM (AD)

File copy
Surname:

Chambers
Selfridge
Pennington
McKinney

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-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-2137

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. Born, 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 when certification of the project is made. Such certification was made October 4, 1954. Moreover, on February 10, 1954, Mr. Born 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. Born.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

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

JWAlt/er;JIChambers/wb
February 8, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~

RECEIVED
FEB - 6 1956

1201 N. Division St.
Spokane 2, Washington
February 1, 1956

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Enclosed are two copies of a letter from the Operator, dated January 23, 1956, protesting what Mr. Born feels is an unfair levy on a small production from the Talisman mine during the contract period.

We are transmitting the Operator's letter of protest for whatever action you deem necessary.

By Field Team, Region I, NW District

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USGS (2)
USBM (AD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
February 1, 1956

RECEIVED
FEB - 6 1956

Mr. Henry T. Born, President
Spokane Mining Syndicate, Inc.
424 Kuhn Building
Spokane 1, Washington

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

Dear Mr. Born:

Thank you for your promptness in sending us your check for $126.94 as payment for back royalty on production from the Talisman mine.

We are sending your protest to Washington, and we will notify you of their action in this matter.

By Field Team, Region I, NW District

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

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

cc: DMEA (2)
USGS (2)
USBM (AD)

SPOKANE MINING SYNDICATE, INC.
MAdison 4774
~~[illegible]~~ 434 Kuhn Bldg.
SPOKANE 1, WASHINGTON

RECEIVED
BUREAU OF MINES
JAN 25 1956
SPOKANE, WASH.

January 23, 1956

RECEIVED
FEB - 6 1956

Mr. Steve Zoldok
United States Bureau of Mines
1201 North Division Street
Spokane 2, Washington

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

Dear Mr. Zoldok:

In answer to your letter of December 12, 1955, we are enclosing herewith our check in the amount of $126.94.

We are making this payment under protest, as our original agreement with the Defense Minerals Exploration Administration did not call for any such payment. However, a year or so after the original agreement was signed, your office presented us with an annex - or an amendment - calling for the payment of a 5% royalty on concentrates shipped from our mill. We believe that a demand for this payment is in violation of our original contract, and it is for that reason that we do not think this payment should be made.

Very truly yours,

SPOKANE MINING SYNDICATE, INC.

Henry T. Born

President

HTBorn:bm
Enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
December 12, 1955

RECEIVED
DEC 16 1955

Mr. Henry T. Born, President
Spokane Mining Syndicate
Kuhn Building
Spokane, Washington

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

Dear Mr. Born:

Our records show that after September 7, 1951, the date of the contract, the Talisman mine produced 43 tons of concentrates, having a net value of $2,538.89, on which royalty is due the Government in the amount of 5 percent or $126.94. This royalty is due by virtue of a Certification of a Discovery or Development issued on October 4, 1954.

This delinquent royalty has not been paid. Your attention to this matter will be greatly appreciated.

By Field Team, Region I, NW District

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

Thomas E. Howard, Acting Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)
USBM (AD)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
OCT 21 1955

October 20, 1955

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: J. W. Pennington, Branch of Base Metals

Subject: Review of Field Team Final Report, Docket No. DMEA 525X, Idm-E 137 (copper-zinc), $44,000, Spokane Mining Syndicate, Inc., Talisman (Laurier) Mine, Orient Mining District, Ferry County, Washington

The Field Team Final Report on this property by W. S. Anderson, Bureau of Mines, and W. P. Puffett, Geological Survey, has been reviewed.

According to the report, 735 feet of drifting, cross-cutting, and raising, plus 151 feet of long-hole drilling were completed at a cost of $31,903.53. Very few tons of new ore were indicated by the work completed.

The examiners concluded that more ore could be found by additional exploration of the property, but the geologic and operating problems are too complex to justify Government participation.

I agree with these conclusions and the recommendations that further exploration of the Talisman mine is not warranted.

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals
J. W. Pennington
F i l e s
Thor Kiilsgaard, U.S.G.S.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
OCT 1955

September 30, 1955

Re: DMEA 525X, Idm-E137
Spokane Mining Syndicate, Inc.
Talisman (Laurier) Mine
Ferry Co., Washington
$44,000 - Copper, Zinc

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final report.

A contract was awarded the Talisman Mining and Leasing Co., which was later assigned to the named applicant. The contract covered 2 stages of proposed work:--

Stage I.

1. Drifting 500 feet on vein structure on No. 1 adit level.

2. Crosscutting 175 feet.

3. Raising 150 feet.

4. Diamond drilling 600 feet.

Stage II.

1. Diamond drilling 1,000 feet.

2. Crosscutting 100 feet.

3. Raising 50 feet.

The total cost was estimated at $44,000. Eight amendments to the contract were adopted. A total of 735 feet of drifting, raising, and crosscutting was completed; 151 feet of long-hole drilling, in lieu of diamond drilling, was done. Total cost of work done was $31,903.53.

14.62 tons of concentrate (zinc) was produced while the contract was in force. Royalty totaling $6.95 was paid.

A certificate of discovery was awarded in October 1954, the contract having been terminated by mutual agreement July 29, 1954.

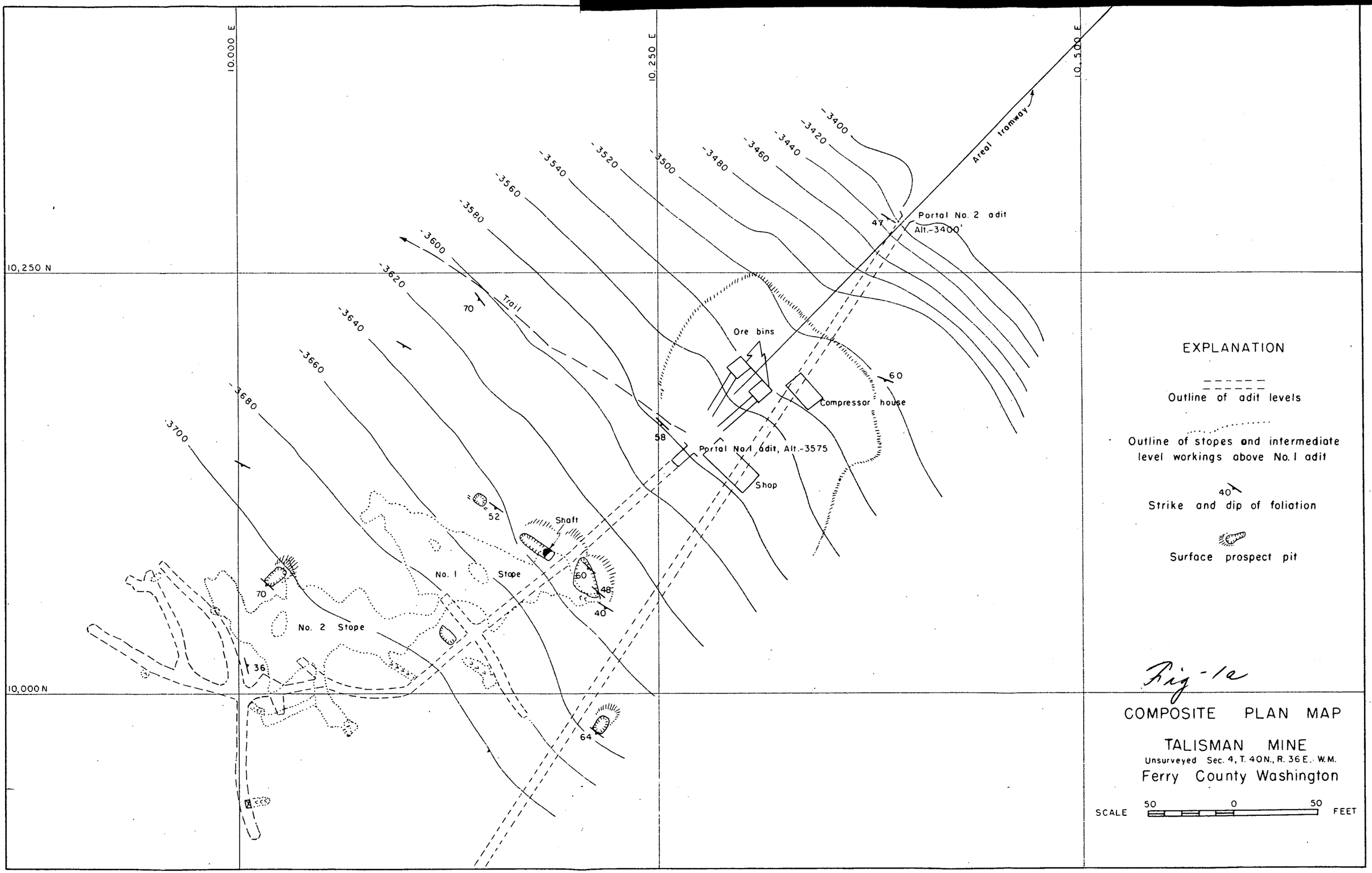
The operator estimates the ore reserves at 2,413 tons grading 1.5% copper and 4.5% zinc.

The examiners conclude that Government participation in future exploration is not warranted.

I agree with the conclusion of the examiners.

N. E. Nelson

N. E. Nelson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-3700
Areal tramway
Portal No. 2 adit
Alt.-3400'
Trail
Ore bins
Compressor house
Portal No.1 adit, Alt.-3575
Shop
Shaft
No. 1 Stope
No. 2 Stope
41
70
60
58
52
70
50
48
40
36
64
EXPLANATION
Outline of adit levels
Outline of stopes and intermediate level workings above No. 1 adit
40
Strike and dip of foliation
Surface prospect pit
Fig-1a
COMPOSITE PLAN MAP
TALISMAN MINE
Unsurveyed Sec. 4, T. 40N., R. 36E. W.M.
Ferry County Washington
SCALE
50
0
50
FEET

LARGE FORMAT DOCUMENTS AT END OF FILE

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

So. 157 Howard Street
Spokane 4, Washington

September 20, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA 525 (copper-zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington

FINAL
FT. Rept

Dear Mr. Selfridge:

Enclosed are four copies of a final report on the Talisman mine, Ferry County, Washington.

Notice of Certification of Discovery or Development dated October 4, 1954 was issued by the Administrator.

The authors state that Government participation in future exploration at the Talisman mine is not warranted.

By Field Team, Region I, NW District

Verne C. Fryklund, Jr.
Verne C. Fryklund, Jr., Acting Exec. Officer
U. S. Geological Survey

Stephen W. Zoldok
Stephen W. Zoldok, Acting Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)

Reviewed by
DMEA OPERATING COMMITTEE
9-28-55
(date)

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

PACIFIC BEAM, REGION I
Northwest District

RECEIVED
SEP 23 1955

FINAL REPORT

Contract IOr-7137

by

Webster S. Anderson
Mining Engineer
U. S. Bureau of Mines

Willard P. Puffett
Geologist
U. S. Geological Survey

SPOKANE MINING SYNDICATE, INC.
ASSIGNEE OF TALISMAN MINING & MINING COMPANY
730 Peyton Building
Spokane, Washington

Docket No.:	DMA 525H
Commodity:	Copper-zinc
Contract date:	September 7, 1951
Termination date:	August 17, 1954

Reviewed by
DMEA OPERATING COMMITTEE
9-28-55
(date)

TALISMAN MINE
Orient Mining District
Ferry County, Washington

Spokane, Washington

September 1955

FINAL REPORT

SPOKANE MINING SYNDICATE, INC.
ASSIGNEE OF TALISMAN MINING & LEASING COMPANY
Talisman Mine
Orient Mining District
Ferry County, Washington

Contract Idm-E137

* * * *

INTRODUCTION

This report describes an exploration project for copper-zinc ore at the Talisman mine, Ferry County, Washington. The project was conducted by the Spokane Mining Syndicate, Inc., under DMEA Exploration Project Contract No. Idm-E137.

Summary

The purpose of the project was to explore at the Talisman mine for extensions of an ore body which had previously been explored on two adit levels. There are two stopes above the upper adit from which approximately 5,000 tons of rock have been removed. Evidence in surface prospects and the underground workings suggested that the ore might widen toward the northwest, southeast, and southwest of the stoped area.

An exploration drift found an extension of the ore zone on the upper adit level a few feet to the west of the stoped area. Short, intermediate drifts from the stope above the adit level exposed small extensions of the ore zone. A large proportion of the DMEA workings were in barren ground, and actually very few tons of new ore were indicated by the work which was completed. The Operator estimates 2,413 tons of ore remaining in the mine, and this is probably the maximum that can be assigned to the property at the present time.

It was necessary to terminate the contract before all work was completed because the Operator was unsuccessful in renewing his lease on the property. Thus circumstances did not permit completion of planned diamond drilling which might have proved a greater extension of the ore zone.

During the time the contract was in effect, about 1,326 tons of ore were mined, 951 tons of which were concentrated in the Operator's mill. The Operator sold 43 tons of concentrates for which he received a net value of $2,538.89. No royalty was paid to the Government from this sale.

At the time the contract was terminated, there was an estimated 14.62 tons of zinc concentrates at the mill. Although this was not sold, the Government's percentage royalty of the value of these concentrates was calculated to be $6.95; this amount has been paid.

Mr. Henry T. Born, president, Spokane Mining Syndicate, Inc., received a notice of Certification of Discovery or Development dated October 4, 1954, from the Administrator, Defense Minerals Exploration Administration.

Recommendation

Government participation in future exploration at the Talisman mine is not warranted.

LOCATION AND ACCESSIBILITY

The Talisman mine is 1 mile south of the International boundary and three-fourths of a mile southwest of Laurier, Washington. The property is in sec. 4, T. 40 N., R. 36 E., W.M., Ferry County, Washington. The mine workings are at the summit of a precipitous bluff which is about 1,600 to 1,700 feet higher in elevation than Laurier.

The mine is reached by a steep trail which zigzags up the northeast slope of Huckleberry Mountain. Supplies and equipment were transported to the property via a jig-back tram.

The slopes of the mountain in the vicinity of the mine are precipitous. Vegetation includes scattered groves of pine and fir trees interspersed with brush of various types.

During the winter months there is from 3 to 5 feet of snow in the vicinity of the upper adit. Seasonal temperatures range from 87° above zero to 32° below zero.

PROPERTY

The property consists of eight unpatented claims designated as follows: Snowbank No. 1, No. 2, No. 3, and No. 4, and Talisman No. 1, No. 2, No. 3, and No. 4, as shown on figure 1.

The Talisman claims were first located in 1896-97. In 1904 the Stewart brothers acquired the property by either relocation or purchase. (The exact nature of this transaction is not definitely known.) In 1915 the Laurier Mining Company obtained possession of the property and shipped two carloads of ore to the smelter at Greenwood, B. C. (Copies of smelter returns are included in the map folder.) Sometime

prior to 1945 Charles Mccarty relocated the property and sold it to Glen L. Brink and Don K. Burlek. The Talisman Mining and Leasing Company took a lease-option on the property in 1945.

The Talisman Mining and Leasing Company installed a 75-ton flotation mill in 1945-46. Ore is delivered to the mill from the mine via a jig-back tram. The ore bunker at the mill is 1,700 feet lower in elevation than the ore bunker at the upper adit. The tram buckets have a capacity of 1,000 pounds, and under ideal conditions a round trip can be made every 5 minutes. In addition to the mill, a compressor house, tool shed, and a cabin for living quarters are located near the upper adit.

The Talisman Mining and Leasing Company was the original Operator under the exploration project contract dated September 7, 1951. On July 8, 1952, the Spokane Mining Syndicate, Inc., obtained a Consent to Assignment from the Talisman Mining and Leasing Company.

The workings consist of an upper adit level, a lower adit level, two shafts, and numerous prospect and discovery pits. Two open stopes have been developed above the upper adit. Numerous short, intermediate workings have been driven from the edges of the stopes.

The extent of all workings is shown on the attached composite plan map of underground workings (fig. 2). The workings are all in good condition, and timber was not required. Ventilation and drainage present no problem at the property.

Production from the Talisman mine is tabulated below.

Year	Ore (tons)	Concentrates (tons)	Gold (fine ounces)	Silver (fine ounces)	Copper (pounds)	Lead (pounds)	Zinc (pounds)
1902-15	No production reported						
1916...	120			190	9,855		
1917-44	No production reported						
1945...	172	20	-	310	3,337	5,397	12,594
1946-47	No production reported						
1948...	1/432	54	-	587	8,729	2,876	36,584
1949...	1/440	37	-	141	-	422	32,891
1950...	1/226	18	-	41	-	188	18,929
1951-52	No production reported						
1953...	746	43	-	462	9,228	1,830	23,582
Total	2,136	172	-	1,731	31,149	10,713	124,580

1/ Estimated figure.

Note: All production figures with the exception of those for 1916 were obtained from the Division of Mineral Industries, U. S. Bureau of Mines, Region I, Albany, Oregon.

The Talisman mine is near the crest of a steep, east-facing cliff composed of an alternating series of basic to acidic gneisses and schists, the foliation of which strikes in a general northwest direction and dips flatly to the west and southwest. This series of gneisses and schists is cut by numerous faults, most of which strike in a general northerly direction and dip very steeply, either to the east or to the west.

This series of rocks has been described by R. A. Daly (Geology of the North American cordillera at the forty-ninth parallel: Can. Dept. of Mines, Geol. Sur. Mem. 38, p. 378-379, 1912) as follows:

"Grand Forks Schists

"The dominant country rocks of the Cascade granite--the Grand Forks schists--include a series of schistose types, which have been completely or almost completely recrystallized, so that their primary nature is often in doubt. For the most part they seem to have been originally basic extrusives of andesitic and basaltic character; in less degree, intrusive and dioritic or gabbroid, or sedimentary, argillaceous rocks. These have been metamorphosed to ever-varying phases of amphibolite, fine-grained orthoclase-bearing hornblende schist, hornblende-epidote-plagioclase schist, actinolite schist, and biotite-diorite gneiss. Along with these, thick lenses or pods of white crystalline limestone are interbedded. The limestone is, as yet, unfossiliferous but resembles the Carboniferous limestone occurring about Rossland."

Subsequent to the work by Daly, E. C. Bowman studied this series of rocks and called it the Boulder Creek formation of Precambrian age. In his unpublished thesis for Doctor of Philosophy, Harvard University, p. 19, 1950, Bowman describes the rocks as follows:

"These rocks are feldspathic, light-gray, fine-grained (average 0.9 mm.) quartz, sillimanite gneiss. Biotite is the chief accessory mineral and is closely associated with the sillimanite. The feldspars are orthoclase and calcic oligoclase and are locally so abundant that the rock is a granite. Indeed, the 1800-foot high cliff west of Laurier is composed of quartz-sillimanite gneiss and interspersed layers of fine-grained biotite granite. The layers of sillimanite gneiss and granite are 10-15 feet thick and the contact between the two rocks is gradational within a distance of about three feet."

H. Bancroft (The ore deposits of northeastern Washington: U. S. Geol. Survey Bull. 550, p. 202, 1914) described the ore deposits at the Talisman mine as follows:

"The prevailing rock in the adit tunnel is a hard, compact, dark-colored schist, composed chiefly of hornblende and feldspar. Elsewhere a pink granitic schist is prominent. These

rocks are intruded by dikes of white medium-grained granite composed essentially of orthoclase, quartz, and biotite. * * * Its intrusion has caused considerable contact metamorphism in the contiguous schists, epidote, quartz, sphalerite, magnetite, and chalcopyrite having been formed, all probably of contact-metamorphism origin. * * * Postmineral faulting, the uncertain distribution of the ore minerals, and the probability of only local impregnations in the schists, combined with the peculiar association of ore minerals and the small amount of chalcopyrite present in the ore, all militate against the profitable working of this deposit."

Of the above three descriptions of the series of rocks exposed in the vicinity of the Talisman mine, it is believed the one included in Daly's report most clearly describes the general rock types. It is not certain if the sillimanite schist mentioned by Bowman is exposed in the vicinity of the mine.

The outline of the mine workings and the geologic features of these workings, as mapped by a number of individuals, are shown on the accompanying figures 2, 3, 4, and 5. The general outline of the mineralized zone and major structural features are best shown on figure 5, which includes five vertical sections through the ore zone. On these sections the outline of the ore zone in the stoped areas has been inferred, because of the lack of information concerning the actual thickness and attitude of the mined-out ore.

In general outline the mineralized zone is a tabular-shaped body, concordant with the foliation in the enclosing rocks. The ore zone strikes about N. 75° W. and dips from 10° to 35° SW. In detail there are a number of rolls along dip and strike of this zone, and these have been greatly accented in areas where faults, striking to the north and dipping steeply to the east or west, have offset the mineralized zone. The thickness of the ore zone ranges from a few inches to more than 6 feet. Toward the margins of the mineralized area the ore zone gradually thins and merges with the enclosing schists.

The ore minerals are sphalerite, chalcopyrite, minor galena, and scattered scheelite. The gangue is magnetite, pyrite, pyrrhotite, epidote, and some red-brown garnet, all cemented by fine-grained quartz and a mosaic of dark-green mafic minerals.

Massive, dark red-brown sphalerite usually forms the upper part of the ore zone, and chalcopyrite, with minor amounts of sphalerite and sparse galena, forms the lower, or footwall part, of the zone. Scheelite occurs sporadically, and insofar as known, is not concentrated in any particular portion of the mineralized area.

The rock overlying the ore zone is porphyritic or porphyroblastic, containing large pink feldspar crystals in a fine-grained matrix of dark-green material, probably amphiboles. Some epidote is usually found in the lower portion of this rock next to the sulfide zone. It

is not known if the mineralized zone is a replacement of a limey member in the schists or is mineralization along stratification or cleavage foliation. The presence of a dark-gray to black hornblende schist (amphibolite?) a short distance below the mineralized zone seems to indicate that it represents a definite stratum in the schists.

Because of the presence of epidote and garnet in the gangue and the sporadic concentrations of scheelite, it is believed that the ore zone originally may have been a limestone lens or pod in the schists. To the west of the main mine workings there are additional exposures of mineralized lenses similar to that developed in the mine. These may represent other mineralized limestone lenses having similar characteristics and might be a source of additional ore.

A number of steeply-dipping faults striking nearly due north offset the mineralized zone. These are postmineral faults with relatively small displacements. At some locations the vertical displacement has been exaggerated because the fault has cut the ore zone where the dips are steeper.

If it is true that the ore at the Talisman mine represents mineralized limestone, the search for additional ore should be guided by the presence of the typical gangue minerals which have formed, usually epidote and garnet, as well as ore sulfides. Additional exploration would be to test the down-dip extensions of these exposures by a series of short diamond drill holes to determine if the lenses are of sufficient size to merit more costly underground development.

THE PROJECT

The Talisman mine had been developed by two adits. Above the upper adit ore had been mined from two stopes having a strike length of from 40 to 110 feet and from the surface down the dip for about 200 feet. About 5,000 tons of rock had been removed from the stopes. The ore body appears to be continuous, although faulted and pinched locally. The search for extensions of the ore body down dip and along strike presents a logical target for exploration.

The proposed exploration project resulted from numerous conferences with members of the DMEA Field Team and representatives of the Talisman Mining and Leasing Company. The contract, awarded to the Talisman Mining and Leasing Company on September 1, 1951, stipulated that the exploration project be done in two stages as follows:

<u>Stage I</u>

1. Drift 400 feet on No. 1 adit level on vein structure to northwest and southeast from point B. (B corresponds quite closely with USBM 196 tag on figure 3 attached to this report.)

2. Crosscut 100 feet to southeast from point C. (On the accompanying figure 2, the junction between the main crosscut and the 103 Drift South corresponds to the location of point C.)

3. Drive raises a total of 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. Drift 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. (This crosscut was to be driven about due west from USM 196.)

7. Diamond drill a maximum of 600 feet from point D.

Stage II

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.

All Government participation was to be on an accrued-cost basis, although it was estimated that the drifting and crosscutting would cost $30.00 per foot, the raising $25.00 per foot, and the diamond drilling $7.50 per foot.

It was estimated that the work of rehabilitating the buildings, tramway, and No. 2 adit would cost a total of $3,350.00.

The total cost of the project was estimated at $44,000.00, of which the Government would contribute 50 percent or $22,000.00.

On July 8, 1952, the exploration project contract was assigned to the Spokane Mining Syndicate, Inc. Amendment No. 1, dated September 17, 1952, extended the completion period of project work from 12 to 22 months. Amendment No. 2, dated October 28, 1952, authorized the purchase of a rock drill with pusher and stope leg plus an air grinder for sharpening drill bits. Amendment No. 3, dated October 29, 1952, specified that labor for crosscuts, drifts, and raises could be paid at unit contract rates not to exceed $15.00 per foot. This cost per foot was to include all labor costs except supervision. Amendment No. 4, dated December 8, 1952, allowed expenditures for necessary improvements and purchases of equipment for winter operation. This amendment also authorized funds for repairing the 105 cfm compressor. Amendment No. 5, dated January 23, 1953, substituted long-hole drilling at $1.00 per foot for some of the diamond

drilling. Amendment No. 6, dated June 26, 1953, extended the completion date to 27 months from the date of the contract and also extended the royalty payment period from 10 to 12 years. Amendment No. 7, dated July 28, 1953, authorized funds for rehabilitating the tramline which broke during operations on July 15, 1953. Amendment No. 8, dated February 10, 1954, extended the time for completion of the contract from 27 to 36 months, and the attached annex to this amendment specified that royalties be paid the Government from all ore sold from the property while the contract was in effect. Amendment No. 9, dated May 7, 1954, revised Amendment No. 8 to exclude royalty payments before the date of Amendment No. 8 in the absence of a Certification of Discovery or Development. On July 29, 1954, the contract was terminated by mutual agreement between the Spokane Mining Syndicate, Inc., and the Government. On October 4, 1954, a Certification of Discovery or Development was issued as a result of the project.

Exploration work was begun on June 9, 1952. Necessary repairs to mining equipment and the tramway were made, and drifting and crosscutting were started on June 19, 1952.

The 109 N. Drift was driven first to explore for ore along a fault to determine if the ore in the No. 2 stope had been offset along it. This drift followed along the fault for about 60 feet and then was turned gradually to the northwest. Some disseminated pyrite and epidote was exposed in the drift west of the fault, but no sulfide ore was found.

The 102 W. Crosscut and the 109 S. Drift were then driven. Some galena, chalcopyrite, and sphalerite in a matrix of epidote and brown-red garnet were exposed in the 102 W. Crosscut from 25 to 30 feet west of USBM 196 (see figure 3); no ore was found in the 109 S. Drift. The 111 NW. Drift was then driven to explore for the northwest extension of the ore exposed in the 102 W. Crosscut. This drift exposed low-grade ore for about 60 feet in a band of disseminated sulfides dipping to the east and terminated on the west by a fault trending slightly west of north. Two short raises, the 102-1W. and the 111-1W., were driven to test for extensions of the ore but were unsuccessful in developing a minable amount. The 111 W. Crosscut near the northwest end of the 111 NW. Drift exposed a small additional amount of disseminated sulfides. Vertical Sections B-B' and C-C' (see figure 5) show the relationship of the ore in the 111 NW. Drift to the steep faults. This ore probably represents an extension of the ore zone developed in the No. 2 stope broken into a relatively short segment by faulting.

The 103 S. Drift was then driven 57 feet southeast from the No. 1 adit. It was unsuccessful in finding ore.

Long-hole drilling was then started, as authorized by Amendment No. 5 to the contract, to search for extensions of ore in the stopes and the completed DMEA workings. Long Hole No. 4 (see figure 2 and section E-E', figure 5) intersected a zone to the south of the No. 2 stope

containing scattered amounts of lead, zinc, and copper sulfides plus fair silver values. The highest silver assay reported from sludges in this hole was 8.2 ounces per ton.

The 104 S. Drift was driven south from the No. 2 stope to explore the area in which Long Hole No. 4 indicated a mineralized zone. The east wall of this drift exposed some sulfides, so the drift was widened to explore the zone further. The new headings driven to widen the 104 S. Drift were designated the 112 S. Drift and the 114 S. Drift. The general outline of the zone exposed by this work is shown on Vertical Section A-A' (fig. 5). This band ranges in thickness from 2.0 to 4.5 feet but contains only low-grade ore. Apparently, the ore zone in this area is bounded by faults both on the east and on the west (see Vertical Section E-E', figure 5).

The 109-1 S. Raise and the 109-2 S. Raise were driven without finding ore. The 115 W. Intermediate Drift was driven west from the 104 S. Drift but did not expose ore. The 103-1 S. Raise found some scattered sulfides in rock containing epidote, and the 103-1 S. North Finger Raise was driven to explore further this zone of sulfides. The finger raise followed an iron-stained fault that correlates with the south extension of one of the main faults that had offset the ore zone in the No. 1 stope (see figure 4).

By the early part of the summer of 1953 very little ore had been indicated by DMEA work. The next logical step in exploration was to diamond drill the area between the 102 W. Crosscut and the 109 S. Drift. There was a possibility that the main ore zone, although offset locally by faults, might extend into this area and be found at an elevation slightly below the level of the No. 1 adit.

The Operator was unsuccessful in obtaining a satisfactory subcontract for this diamond drilling. Apparently, there was too little drilling specified to encourage an independent driller to move his equipment to the relatively inaccessible mine workings and still do the drilling at a cost per foot in keeping with the estimate in the contract.

Exploration was continued by searching for extensions of the ore exposed along the north walls of the No. 2 stope. The 116 N. Drift and 116-1 N. Raise were driven, and some sulfides were exposed in the back of the drift; however, none of the material was of ore grade, and no sulfides were exposed in the raise.

The 117 N. Drift, driven northwest from the No. 2 stope, exposed a band of ore that attained a maximum thickness of nearly 6 feet. Samples of this ore assayed from 1.0 to 9.1 percent zinc and from 1.62 to 10.56 percent copper. Additional exploration was planned to test for the extension of this promising sulfide band. Nearly all the funds in Stage I having been used, it was necessary to authorize the beginning of Stage II to continue the exploration.

On July 15, 1953, the traction cable on the tramline from the mill to the mine broke, and exploration operations were suspended while this cable was repaired because the mine was dependent on the tramline for hauling supplies. Inasmuch as exploration could not be continued without the tramline, Amendment No. 7 was prepared allowing some of the funds originally specified for the work in Stage II to be used for repairing it.

When the tramline was again in operation, numerous conferences were held between representatives of the Operator and the DMEA Field Team to discuss the next stage of exploration. Some additional work was done in widening the 117 N. Drift and in driving the 117-1 N., the 117-2 N. and the 109-1 N. Raises. This showed that the ore zone was thinning to the northwest and that no additional work in this area was justified.

The Operator and the DMEA Field Team agreed that diamond drilling should be the next stage of the program. A diamond drilling program was outlined that was agreeable to both the Operator and the Field Team. Before this diamond drilling program could be started, the Operator's lease on the property expired, and the owners did not renew the lease; consequently, the exploration project contract was terminated by mutual agreement between the Government and the Operator on July 29, 1954.

The Operator broke an estimated 1,326 tons of ore during the period the exploration project was in effect. The mill treated 951 wet tons of this material and produced about 60 tons of concentrates, including 19 dry tons of copper concentrates and 41 tons of zinc concentrates. Smelter returns of shipments by the Talisman Mining and Leasing Company are included in the map folder.

Ore Reserves

In his final report the Operator estimates a total ore reserve of 2,413 tons of copper-zinc ore. The average metal content of this ore has been estimated at 1.5 percent copper and 4.5 percent zinc. This ore reserve includes ore exposed in the walls of the Nos. 1 and 2 stopes plus broken ore that still remains in the mine.

Available evidence indicates that it would be risky to project any exposed ore more than a few feet into the walls. The ore zone is believed to be continuous, although offset by faults, between the 117 N. Drift and the 116 N. Drift. A small ore zone may exist below the No. 1 adit level between the 109 N. Drift and the 111 NW. Drift. Other than these two areas, no ore has been indicated adjacent to the mine workings; thus, it is believed that the Operator's estimate of 2,413 tons of ore reserves is the most optimistic estimate that can now be assigned to the Talisman mine.

Following are the description and footage of workings completed under the DMEA contract as submitted by the Operator:

Working	Total Footage
102 W. X-Cut	89
102 W. S. Swipe	5
102-1 W. Raise	15
102-2 W. Raise	6
109 N. Drift	70
109 S. Drift	86
109-1 S. Raise	17
109-2 S. Raise	26
109-1 N. Raise	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
112 S. Int. Drift	29
112 S. S. Swipe	6
114 S. Int. Drift	22
114 S. S. Swipe	5
114-1 S. Int. Raise	12
115 W. Int. X-Cut	33
115 W. Int. S. Swipe	4
116 N. Int. Drift	17
116-1 N. Int. Raise	8
117 N. Int. Drift	33
117 N. S. Swipe - E.	12
117 N. S. Swipe - W.	5
117-1 N. Raise	10
117-2 N. Raise	10
118 W. Int. X-Cut	5
	741

Summary of Factual Data

Work

A total of 735 feet of drifting, crosscutting, and raising was completed under the contract at a unit cost of $43.18 per foot; in addition, 151 feet of long-hole drilling was completed at a unit cost of $1.038 per foot.

The total contract amount approved was $44,000.00, of which $31,903.53 was expended. The Government's share of the accepted cost was $15,951.76.

The total footage submitted by the Operator was 741 feet; 6 feet was deleted by the Field Team, and the total allowed was 735 feet.

The Operator also submitted for payment 181 feet of long-hole drilling; the Field Team allowed 151 feet.

The calculated cost per unit for 735 feet of drifting, crosscutting, and raising follows:

Unit	Cost	Cost/ft.
Labor	$12,406.66	$16.88
Supervision & technical services	1,431.28	1.95
Explosives	3,058.96	4.16
Pipe	247.06	.33
Track	282.48	.38
Fuel, oil and lubricants	1,398.71	1.90
Steel and bits	2,106.49	2.87
Carbide	47.12	.06
Small tools	496.94	.67
Miscellaneous items	742.86	1.01
Operating equipment		
Rental	1,103.94	1.50
Purchase	1,879.24	2.56
Depreciation	1,981.83	2.70
Improvements	63.69	.09
Repairs to equipment	4,649.96	6.33
Sampling and analysis	96.63	.13
Totals	$31,993.85	$43.52
Less: Net proceeds from salvage	247.06	.34
Net cost (drifting, crosscutting and raising)	$31,746.79	$43.18
151 feet of long hole	156.74	1.038
Total cost of contract	$31,903.53	

The numerous headings, which necessitated frequent moving of equipment, were a major factor in increasing costs.

The Operator produced 14.62 tons of zinc concentrates from ore produced at the Talisman mine after February 10, 1954. This is production

from which the Government received royalty; the zinc concentrates were not sold but the Government's royalty was computed at $6.95. The Operator proposed this settlement, and it was accepted by the Field Team. No royalty on production prior to February 10, 1954, has been received by the Government.

Equipment

The equipment purchased for the project is as follows:

Item	Cost	Govt. Part.
1 RH-656-2W Atlas Rock Drill, Serial #433190, with hose and extension rod	$ 390.02	$ 195.01
1 Pneumatic pusher leg	159.65	79.82
1 Rotary grinder, Serial #422458	197.35	98.67
1 Raising feed	219.90	109.95
1 Duo-Therm Oil heater, model #675-2, Serial #1419R39	137.02	68.51
1 Tank #465		
1 Duo-Therm oil heater		
6400 feet 9/16" 6x7 improved plow steel traction rope with sheave clips and thimbles	1,371.96	685.98
Pipe		
397 feet 1"	53.60	26.80
481 feet 1½"	96.41	48.20
73 feet ½"	5.00	2.50
Fittings	30.19	15.09
Rail		
1 ton used 12# rail	50.00	25.00
5 rail switches	108.70	54.35
30 pr. splice bars	13.29	6.64
Miscellaneous		
2 Guide sheaves with shafts	40.00	20.00
2 Sheave bases	23.00	11.50
1 Tramway bucket	294.50	147.25
2 Traction rope sheave assemblies	93.50	46.75
20 5/8" Crosby rope chips	11.20	5.60
Powder and Fuse		
21 cases powder and 4,000 ft. fuse	228.37	114.18
Total	$3,523.66	$1,761.80

The Government received $101.50 for its equity in the explosives and $35.00 for its equity in the switches. Mr. Henry Wynstra, by letter dated August 16, 1954, bid $500.00 for 6,400 feet of 9/16 traction rope, tramway bucket, traction sheave and guide sheaves. This bid was accepted by letter dated August 25, 1954. The Spokane Mining Syndicate, by letter dated August 26, 1954, made an offer of $350.00 for the Government's equity in the balance of the equipment and supplies remaining at the property. This offer was accepted by the Field Team by letter dated August 31, 1954.

The cost of salvage of equipment and supplies was high because all large items had to be dismantled before they could be lowered from the upper adit via the tramline to the mill site.

Discussion of Conclusions

The early part of the contract work was competently carried out. The miner in charge of the work at the mine was able to do the drifting, raising, and crosscutting satisfactorily, but inasmuch as the geologic guides were not easily apparent and he did not recognize them, the headings wandered at times from their correct bearings. The property is relatively inaccessible; thus, it was impossible to keep a close check on the direction of some of the workings. An inspection of figure 2, which shows the outline of the workings, indicates that the drifts to the west all veered either to the right or to the left from a straight line.

After the first part of the contract was completed, the Operator failed to obtain a driller to do the diamond drilling which was outlined. Because of this it was necessary to modify the program to permit drifting and raising in lieu of the diamond drilling. This resulted in numerous short drifts and raises which explored extensions of known ore but were not extensive enough to obtain information on which to base a calculation of ore reserves.

Bancroft's statement regarding the economic possibilities of the Talisman mine, quoted in the section on geology, summarizes quite concisely the problem at the mine. Since the time of Bancroft's examination, a great amount of money has been spent at the Talisman mine, but none of the operators were successful; therefore it is believed that, although more ore can be found by additional exploration, the geologic problems plus the operating problems are far too complex to justify Government participation in additional exploration at the Talisman mine.

Perhaps the most feasible method for future exploration would be to diamond drill from the upper adit and from the 109 S. Drift to check for extensions of the ore body exposed in the stope and for possible parallel structures in adjacent fault blocks. All diamond drill holes should be drilled to explore below the upper adit level.

Government participation in future exploration at the Talisman mine is not recommended.

Enclosures
Distribution:
✓ DMEA (4)
USBM (5)
USGS (SRO)
Docket
Puffett

Our Lot No. 325

Shipper's No. 13

Greenwood, B.C., May 31 1916

RECEIVED
SEP 23 1955

THE BRITISH COLUMBIA COPPER COMPANY, LTD.

In Account with

Laurier Mining Company, Laurier, Wash.

Settlement for Laurier Ore

Gold, per ton	Trace	oz.	Silica	30.	%	Sulphur	7.9	%
Silver, per ton	2.30	oz.	Iron	18.1	%	Insoluble		%
Copper	4.70	%	Lime	8.3	%	Zinc	5.0	%

Sampled May 27, No.of Cars 1, Weight 98900 lbs. Moisture 1.4%,
Net Weight 97516 lbs.

%	of Gold	@	per oz.		
95 %	of Silver	@ 73.43	cts. per oz.		$ 78.22
4291 lbs.	of Copper	@ 28.458	cts. per lb., less 3 cts. per lb.		1092.40
					1170.62
Less treatment charge at $3.50 per dry ton				170.65	
Less freight charge to Grand Forks at $1.00				49.45	220.10
					$ 950.52

G. N. Car #380103

New York Quotations

Silver 73.43 Average for quotation week

Copper 28.458 May 18 - 24

COPY

Our Lot No. 350

Shipper's No. 15

Greenwood, B.C., July 11th, 1916

THE BRITISH COLUMBIA COPPER COMPANY, LTD.

In Account with

UMPIRE ASSAY

Laurier Mining Company, Laurier, Wash.

Definite Settlement for Laurier Ore

Gold, per ton		oz.	Silica	%	Sulphur	%
Silver, per ton	2.25	oz.	Iron	%	Insoluble	%
Copper	4.16	%	Lime	%		

Sampled June 9, No.of Cars 2, Weight 146500 lbs. Moisture 1.6%
Net Weight 144156 lbs.

% of Gold @ $ per oz.			
95 % of Silver @ 66.39 cts. per oz.			102.29
5564 lbs. of Copper @ 27.25 cts. per lb., less 3 cts. per lb.			1349.27
			1451.56
Less Treatment Charge at $3.50 per ton		252.27	
" Freight to Grand Forks at $1.00 per ton		73.25	
" Cost of Umpire Assay		5.00	330.52
Balance due Laurier Mining Co. on Umpire settlement			1121.04
" paid on Preliminary settlement			1180.02
" now due B. C. Copper Co. Ltd.			$ 58.98

COPY

Our Lot No. 350

Shipper's No. 15

Greenwood, B.C., June 9th, 1916

THE BRITISH COLUMBIA COPPER COMPANY, LTD.

In Account with

Laurier Mining Co., Laurier, Wash.

Settlement for Laurier Ore

Gold, per ton	Trace	oz.	Silica	%	Sulphur	%
Silver, per ton	2.2	oz.	Iron	%	Insoluble	%
Copper	4.32	%	Lime	%		

Sampled June 9th, No.of Cars 2, Weight 146,500 lbs. Moisture 1.6%
Net Weight 144,156 lbs.

	%	of Gold	@ $		per oz.		
95	%	of Silver	@ 66.39	cts.	per oz.		100.01
5796	lbs.	of Copper	@ 27.25	cts.	per lb., less 3 cts. per lb.		1405.53
							$1505.54
Less Treatment charge at $3.50 per ton on 72.078 tons						$252.27	
" Freight " at 1.00 " on 73.25 "						73.25	325.52
							$1180.02

G.N. Car #380319

New York Quotations

Silver 66.39 Average Quotation week June 1st-7th

Copper 27.25

COPY

TACOMA SMELTER

AMERICAN SMELTING AND REFINING COMPANY

TACOMA, WASHINGTON December 24, 1948

ACCOUNT OF TALISMAN MINING & LEASING CO.

723 W. Riverside ave. - Spokane 8, Washington MATERIAL Bulk Cts.

SMELTER LOT 3647 MINE LOT DATE RECEIVED Nov. 13, 1948

CAR OR VESSEL 20790 ENTRY NO. RECEIVED DATE

GOLD QUOT. SILVER QUOT. COPPER QUOT. SEP 2 0 1948

DATE DATE DOMESTIC DATE Nov. 13 DATE

PER OZ. LESS LESS 23.2 LESS 2.5 20.7 LESS

AU.	AG.	SB.	NI.	BI.	SN.	FE.	SIO2.	CAO.	BI X	AL 203 XXX
10.3	.08	-	-			21.3	2.2	.50	1.06	1.1

LOT NO.	NO. SACKS RECEIVED	NET WGT. INCLUDING CLEAN UP	%	DRY WEIGHT	ASSAYS AU	AG	CU	CONTENTS GOLD OZS.	SILVER OZS.	COPPER LBS.
	42,500	12.82		37,051	.01	22.26	23.56		412	8729
						Less 5% Ag			21	
						Less 20 lbs. Cu				371
									391	8358

Silver 90¢		$ 351.90		
Copper @ 20.7¢		1,730.11		$2,082.01
Value per ton	112.39			
Base	75.00	$ 8.50		
10%	37.39	$ .37		
Zn less 10% @ 30¢		.09		
		$ 8.96	$ 165.99	
Freight 60,000 @ $9.05			271.50	
3% Tax			8.15	
Switching			9.19	454.83
				$1,627.18

10% of $1627.18 Glen L. Brink
N. 2912 Post St.
Spokane, Washington $ 162.72

Balance to Talisman Mining & Leasing Company
723 W. Riverside Avenue
Spokane 8, Washington $1,464.46

IMPORTANT: If not advised to the contrary within days from date we will assume the returns are satisfactory.

NOTICE: All prices on Ore, not under contract for a specified time, are subject to change without notice.

An additional charge of $10.00 per lot, for sampling and assaying, will be made on all lots containing less than five sacks.

A reasonable size sample of above lot will be held for a period of 30 days.

- ZINC -

Our Serial No. 8646-C Trail, B.C., November 28th, 1949. 19

THE CONSOLIDATED MINING AND SMELTING COMPANY OF CANADA, LIMITED

In Account With Talisman Mining and Leasing Co., 305 Zeigler Building, Spokane, Wash.

ORE SETTLEMENT

For Talisman Lot No. 3 Car No. CGW-89864 Received November 4th, 1949.

WEIGHTS			ASSAYS				
Gross Weight of Shipment	55,820	Lbs.	Gold	.01	Ozs. per Dry Ton		
Less Weight of Sacks		Lbs.	Silver	4.5	Ozs. per Dry Ton		
Gross Weight	55,820	Lbs.	Wet Lead	.7	%	Iron	11.8 %
Less Moisture 10.2 %	5,694	Lbs.	Zinc	40.2	%	Lime	1.2 %
Dry Weight of Ore	50,126	Lbs.	Sulphur	31.0	%	Cadmium	.32 %
Dry Tons of Ore	25.063	Tons	Silica	2.9	%		

AVERAGE QUOTATIONS, Week Ending November 5th, 1949 194

GOLD:	Canadian Mint Price $	Less $1.25			Net $ Ozs.
SILVER:	New York Price $ .7325	Converted at U. S. Exch.	10 %		Net $ .80575 Ozs.
LEAD:	New York Price c. Lb.	Converted at U. S. Exch.	% Less		Net c. Lb.
ZINC: "P.W."	St. Louis Price 9.679 c. Lb.	Converted at U. S. Exch.	10 % Less	3.1	Net 7.5469 c. Lb.
CADMIUM:	New York Price $ 2.00 Lb.	Converted at U. S. Exch.	10 % Less	30¢	Net $ 1.90 Lb.

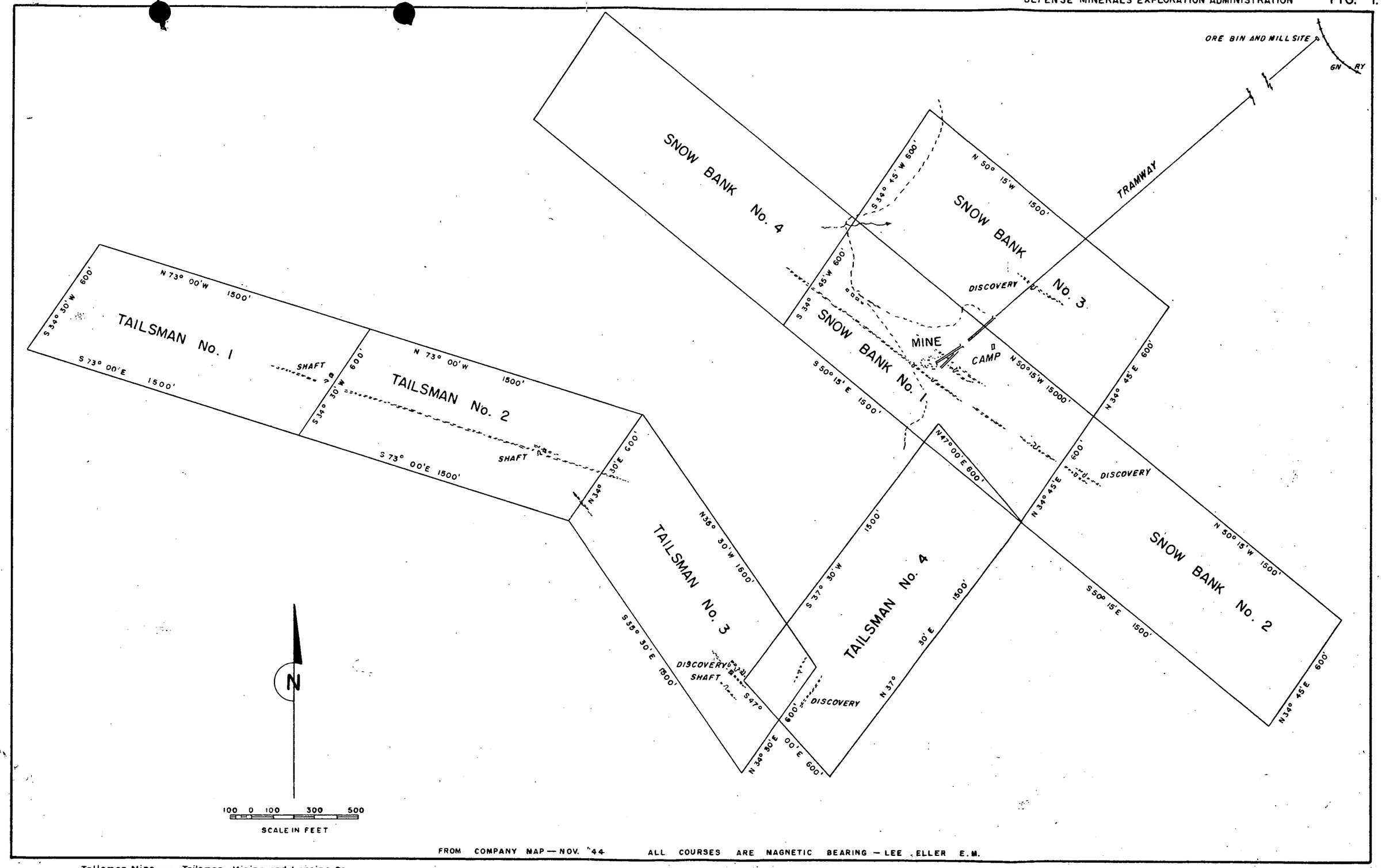
CONTENTS and VALUE

CONTENTS		CONTENTS PAID FOR		NET QUOTATION	VALUE	
GOLD	Ozs.	%		Ozs. @ $ Oz.	$	
SILVER	112.78 Ozs.	80 %	90.22	Ozs. @ $ .80575 Oz.	$ 72	69
LEAD	Lbs.	%		Lbs. at c. Lb.	$	
ZINC	20151 Lbs.	80 %	16121	Lbs. at 7.5469 c. Lb.	$ 1,216	64
CADMIUM	160.40 Lbs.	125.32 Lbs.	Min. Ded. 35.08	Lbs. at $ 1.90 Lb.	$ 66	65
				TOTAL GROSS VALUE	$ 1,355	98
				Less Treatment @ $ 13.04 (Details Below)	$ 326	82
					$ 1,029	16
				Less Trucking $	$	
				Switching $	$	
				Freight $	$ U.S. 169	39
					$ 781.61 859	77
					$	
					$	
Less 10 % Royalty On $859.77 To G.L. Brink, D.K. Busick, G.E. Anderson					$ 78.16 85	98
					$ 703.45 773	79

TREATMENT

Base Charge	13.00
H_2O .2 @ .20	.04
Extra Handling	
Total Treatment per dry ton	13.04

HG:mmh



FROM COMPANY MAP — NOV. '44 ALL COURSES ARE MAGNETIC BEARING — LEE ELLER E.M.

RECEIVED
SEP 23 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Received

November 2, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

I am enclosing herewith 3 copies of an acceptable final report from the Spokane Mining Syndicate on the DMEA project at the Talisman mine in Ferry County, Washington.

The project was certified on October 4, 1954.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
USBM (AD)
Puffett

Alex. Final Rept.

BUREAU
SEP 27 1954
SPOKANE, WASH.

RECEIVED

FINAL REPORT
TALISMAN EXPLORATION PROJECT

FERRY COUNTY- WASHINGTON

D.M.E.A. CONTRACT NO. IDM-E137
DOCKET NO. 525X

Seattle, Washington
September 17, 1954

By: W. A. Richelsen

RECEIVED
OCT 26 1954
U. S. G. S.
SPOKANE, WASH.

Walter A. Richelson
709 Central Building
Seattle 4, Washington

September 17, 1954

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

Final Report- Talisman Project

Dear Sir:

The following is a final report on the exploration project which was conducted at the Talisman property in Ferry County, Washington, under the D.M.E.A. Contract No. IDM-E137, Docket No. 525X. The work was started in June, 1952, and consisted of two stages. Stage No. 1 was completed in July, 1953, but Stage No. 2 which involved diamond drilling, was only partially completed.

No diamond drilling was done as the work terminated in March, 1954, due to a lack of mine labor and difficulties in contracting the drilling. Another factor was that the lease on the property expired in June, 1954, and could not be renewed. Consequently, all mining equipment was removed from the property and salvage operations were not completed until September, 1954.

Exploration: A total of 741 feet of workings was driven during the exploration period, and in addition to this there was 181 feet of long hole drilling. The footage was distributed among the various workings as follows:

Working	Footage				Remarks
	Drifts	X-Cuts	Raises	Total	
102 W. X-Cut		89		89	
102 W. S. Swipe		5		5	
102-1 W. Raise			15	15	
102-2 W. Raise			6	6	
109 N. Drift	70			70	Stopped at 70'
109 S. Drift	86			86	Stopped at 86'
109-1 S. Raise			17	17	
109-2 S. Raise			26	26	
109-1 N. Raise			12	12	
103 S. Drift	57			57	
103 S. S. Swipe	2			2	
103-1 S. Raise			16	16	
103-1 S. S. Swipe			6	6	
103-1 S. North Finger Raise			26	26	
East Stub			4	4	
111 N. Drift	61			61	
	276	94	128	498	

Mr. Henry T. Born September 17, 1954

Working	Footage Drifts	X-Cuts	Raises	Total	Remarks
To Footage Forward	276	94	128	498	
111 N. S. Swipe	3			3	
111-1 N. Raise			12	12	
111-1 N. S. Swipe			5	5	
111 W. X-Cut		12		12	
112 S. Int. Drift	29			29	
112 S. S. Swipe	6			6	
114 S. Int. Drift	22			22	
114 S. S. Swipe	5			5	
114-1 S. Int. Raise			12	12	
115 W. Int. X-Cut		33		33	
115 W. Int. S. Swipe		4		4	
116 N. Int. Drift	17			17	
116-1 N. Int. Raise			8	8	
117 N. Int. Drift	33			33	
117 N. S. Swipe- E	12			12	
117 N. S. Swipe- W	5			5	
117-1 N. Raise			10	10	
117-2 N. Raise			10	10	
118 W. Int. X-Cut		5		5	
Total	408	148	185	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	
			Total	181	

The 181 feet of long hole drilling was all done from the Main Level workings as shown on the attached Map No. T-1, to date of September 1, 1954. Most of it was done from the 102 W. X-Cut and exposed very little ore. The 741 feet of advance footage was distributed between the Main Level and Intermediate Level workings and is summarized as follows:

Main Level Workings

Drifts and X-Cuts	385	feet
Raises	145	"
	530	feet

Mr. Henry T. Born September 17, 1954

Intermediate Level Workings

To Footage Forward	530	feet
Drifts and X-Cuts	171	feet
Raises	40	"
	211	feet
Total	741	feet

The 530 feet of advance in the Main Level workings was distributed between the 102 W. X-Cut, the 109 N. and 109 S. drifts, the 111 N. Drift and 111 W. X-Cut and the 103 S. Drift. A few small showings of ore were opened up in the 111 N. Drift and the 111-1 N. Raise, the 109-2 S. Raise in the 109 S. Drift, and the 103-1 S. Raise in the 103 S. Drift. The showings were spotty and pinched out and had no economic importance.

The 211 feet of advance in the Intermediate Level workings was carried from the No. 2 Stope at an average elevation of 22 feet above the main level. Work on the south side of the stope opened up a small body of ore in the 112 S. Int. Drift and adjacent workings. Work on the north side of the stope was a little more encouraging and the important workings were the 116 and 117 N. drifts. These opened up about 30 feet of ground exposing ore which was a continuation of that in the stope. The average combined metal content was estimated at about 6% with 1.5% copper and 4.5% zinc. The extension of the ore generally cut off at a slip or rolled into the back.

Ore Reserves: The ground was badly step faulted and had a total of 6 faulted blocks as shown on the map. The ore, which is chiefly chalcopyrite and sphalerite with some galena and cadmium, occurred in the diorite or diorite schist immediately below the contact with the granite. The known ore apparently was confined to Blocks Nos. 1, 2 and 3 and was lacking in continuity. It had a gentle dip of 16° toward the southeast and should have continued across over the level and been exposed in the 103 S. Drift.

It also should have continued over into Block No. 4 but was not exposed in the 109 N. Drift. There were only spotty showings in the 109 S. Drift. The ore exposed in the 111 N. Drift was of a tight fissure type and not the massive occurrence as in Stope No. 2. Contacts were vague and irregular and there was a constant variation in the rock formation which made the interpretations difficult.

Total reserves as blocked out in No. 1 and No. 2 stopes is estimated at 2413 tons. This includes both sniping and broken reserve and is as follows:

Stopes Nos. 1 and 2	1988	tons
Sniping ore	100	
Broken reserve	325	
	2413	tons

Mr. Henry T. Born September 17, 1954

The average metal content is estimated at 6% with 1.5% copper and 4.5% zinc.

Concentrating Mill: The concentrating mill only operated intermittently during the entire exploration period. A total of about 1326 tons were broken of which 325 tons were left in the stopes and 50 tons in the bins. The mill treated 951 wet tons of ore and produced about 60 tons of concentrates including 19 dry tons of copper concentrates and 41 tons of zinc concentrates.

The mill feed was rather mixed and of low grade. It included ore from the exploration headings which was occasionally sweetened with the ore from the stopes. The combined metal content of the treated ore was about 3% with 1% copper and 2% zinc.

Tramway: The tramway operated efficiently during the entire contract and handled all supplies going to the mine. The only serious delay was a period of 7 weeks which occurred when the traction cable broke on July 15, 1953. This was replaced and the tram was in operation on September 9, 1953.

Summary: The Talisman project was a difficult one because of the faulting and complex geology and the lack of continuity in the ore deposits. There was excellent cooperation between the management and staff, and engineers and geologists of the U. S. Bureau of Mines and the U. S. Geological Survey. A great deal of effort and study was made in connection with the work and it was disappointing that more ore was not developed.

The proposed diamond drilling program under Stage No. 2 to test out the area below the main level would have given important information in relation to the ore deposits. Further surface work on the outcrops might have indicated additional favorable areas for exploration and it is regrettable that the lease was not renewed. The work was progressing favorably under the Talisman lease and the property should not have been closed down at this time.

Respectfully submitted,

W. A. Richelsen

W. A. Richelsen
Consulting Engineer

WAR:nd

LARGE FORMAT DOCUMENTS AT END OF FILE

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 - 1 195

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 Snooze 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

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 25, 1955

Betty

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 Ida-3137

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, DMA
Field Team, Region 1 (NW District)

Enclosures
cc: DMA (2)
[illegible] (2)
Turner

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

DEC 1 5 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 29 1954

November 22, 1954

Mrs. Myrtle Purdy
Certifying Officer
DMEA Field Team, Region II
1201 N. Division Street
Spokane 2, Washington

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

Dear Mrs. Purdy:

The subject contract was terminated by mutual agreement before completion of the work. The Operator has submitted a final engineering report on the results of the exploration which has been accepted as satisfactory by the Executive Officer.

All items of equipment and supplies in which the Government had an equity have been sold, and the Government has received its prorata share of the proceeds.

A Certification of Discovery was issued on October 4, 1954.

Inasmuch as all contract requirements have been met, it is requested that the Operator's account be audited as soon as possible and that his invoices be processed for final payment.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
October 22, 1954

Mr. Don K. Busick
4305 West 166th St.
Lawndale, California

525

Re: Docket No. DMEA ~~137~~ (copper-zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-E137

Dear Mr. Busick:

This will answer your October 14, 1954 letter concerning the Government's equity in supplies and equipment at the referenced property.

Under the terms of the exploration project contract the Government retains an equity in all equipment, materials and unused supplies that remain after completion of the project provided the Government participated in their purchase. Upon the completion of the project the Operator is required to sell these items for his and the Government's account. The fact that some of the material may be attached to the premises in such a manner that it becomes a permanent installation has no bearing.

Concerning your inquiry about the Government's equity in the tramway, we wish to state that the Government has no equity in the tramway installation that was in place prior to the contract date; however, the Government did have an equity in the traction rope, tramway bucket, traction rope assembly, and guide sheaves as the Government participated in purchasing these items.

The Government has disposed of its equity in the physical inventory to the Spokane Mining Syndicate and other parties but retains its lien on all production from the property until the sum which the Government has advanced as its participating interest is repaid, or until September 7, 1963, whichever occurs first. The amount to be repaid will be determined by the final audit of the Operator's accounts.

By Field Team, Region II

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

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

cc: DMEA, Wash. (2)
USGS (2)

COPY

COPY

Don K. Busick
4305 West 166th St
Lawndale, California
Oct 14, 1954

OCT 26 1954

Mr. A. E. Weisenborn, Executive Officer
Field Team Region II
South 157 Howard St.
Spokane 4, Washington

Re: Docket No. DMA- 525 X
Talisman Mine
Contract No. IDM-E 137

Dear Sir:

There seems to be some misunderstanding about who own's the Tramway and Site. Now the Tramway and Site is recorded in Republic, Washington under the name of Glen L. Brink, Chas Moomaw, et el as part of certain Snow Bank Claims.

Talisman certainly should not have submitted the Tramway as their property as it was under lease with Glen L. Brink, and associates. The lease or contract with us states that Talisman was to keep our property in good working order and that there was to be no leins or mortgage on same.

We the mine owners signed a Mine owner's subordinate paper so that the U. S. Government could place a lein to collect a percentage from ores discovered but we was under the impression that the Government would not hurt the mine owners as far as taking any thingaway from us excepting a certain percentage from minerals discovered. How ever we did know the Talisman was subject to forclosure.

Talisman put up a new cable in which was required to do as they was still under contract with us, or their rights would have automaticly become voided.

I have been informed that DMEA, has an equity in Talisman's equipment and Supplies. I don't see how the Tramway could enter in as it's equity, considering the Tramway was part of the claims we had before Talisman entered in to the picture.

Please would you give me a reply concerning this matter at your earliest convenience? Thank you for your attention.

Sincerely yours,
Associate

/s/ DON K. BUSICK

RECEIVED
AIR MAIL
OCT 18 1954
U.S.G.S.
SPOKANE, WASH.

Klondike

NSin RR

PROJECT SUMMARY REPORT

By: A. G. Keating October 18, 1954

1. Docket No. DMEA 525X - Copper-Zinc
Contract No. Idm-E137
Talisman Mining and Leasing Company,
730 Peyton Building, Spokane, Washington
Talisman Mine, Ferry County, Washington
Operation by lease dated June 3, 1944
Subordination Agreement dated August 18, 1951
Assignment of contract by Talisman Mining & Leasing Co., Inc. to the Spokane Mining Syndicate, dated May 1, 1952.
November 16, 1951 - Operating and Management Agreement.
April 29, 1952 - Assignment of Operating and Management Agreement to Henry Born.
May 15, 1952 - Assignment of Operating and Management Agreement by Henry Born to Spokane Mining Syndicate.
July 8 - Government approval of above assignments with cut off date for Government contributions between Talisman Leasing Company and Spokane Mining Syndicate as of August 1, 1952.

2. Contract: Dated September 7, 1951 - Form MF-200 - Completion in 12 months.
Total cost of project $44,000 - Government's participation $22,000.

Work authorized -
Stage I -

Step (1)	Drift on No. 1 adit level - 400 ft. @ $30.00 per ft.	$12,000.00
Step (2)	Crosscut - 100 ft. @ $30.00 per ft.	3,000.00
Step (3)	Raise from Step (2) - 50 ft. @ $25.00 per ft.	1,250.00
Step (4)	Raise (if warranted) - 100 ft. @ $25.00 per ft.	2,500.00
Step (5)	Drift on vein structure - 100 ft. @ $30.00 per ft.	3,000.00
Step (6)	Crosscut and drill station - 75 ft. @ $30.00 per ft.	2,250.00
Step (7)	Diamond Drill - 600 ft. @ $7.50 p/f	4,500.00
	Cost of work - Stage I -	$28,500.00
	Rehabilitation and repairs	2,250.00
	Miscellaneous supplies	500.00
	Total cost of Stage I -	$31,250.00

2. Contract Continued:

Work authorized continued -
Stage II - Upon approvel of Government

Diamond Drill from heading No. 2 adit - 1,000 ft. @ $7.50 per ft.	$ 7,500.00
Extend crosscut in No. 1 adit - 100 ft. @ $30.00 per ft.	3,000.00
Raising from No. 1 adit crosscut - 50 ft. @ $25.00 per ft.	1,250.00
Rehabilitate No. 2 adit for Diamond Drilling	1,000.00
Total cost of Stage II -	$12,750.00
Total cost of Project -	$44,000.00

Fixtures and improvements -	None
Equipment to be rented -	"
" " " purchased -	$ 500.00
To be furnished by Operator - estimated value	$10,100.00

June 4, 1952 - Agreement with independent contractor for all mining work except Diamond Drilling and rehabilitation under Stage I and Stage II of contract. All work at rate of $23.00 per ft. plus $5.00 per ft. for timbering when required.

Amendments -

Effective Dates

No. 1 - 9/6/52. Extending period of completion from 12 months to 22 months (to 7/7/53).

No. 2 - 8/1/52. In Exhibit "A" (To be furnished by Operator) deletes $10,100.00 depreciated over 60 months.

Allowance per month	$ 168.33
Adds - Total monthly depreciation allowance	156.50
Equipment to be purchased - 1 rock drill - 1 pusher leg - 1 stoper leg and 1 grander	950.00

No. 3 - 9/1/52. Provides for unit contract rates of not to exceed $15.00 per foot for crosscuts, drifts and raises (not including supervision).

2. Contract continued:

Amendments continued -

Effective Dates

No. 4 - 11/1/52. Deletes costs in Stage I of miscellaneous.

Delete miscellaneous supplies	$ 500.00
Add fixtures and improvements, buildings and sheds	225.00
Repairs and rehabilitation to compressor	300.00
Operating equipment	184.00
Cost not to exceed	$ 709.00

No. 5 - 12/1/52. Deletes in Stage I diamond drilling - 600 ft. @ $7.50 per ft. $4,500.00
Adds long hole drilling at $1.00 per ft. or D.D. at $7.50 per ft. 4,500.00

No. 6 - 6/26/53. Extends time for completion of work from 12 months to 27 months to December 7, 1953, and extends time from royalty repayment to Government from 10 years to 12 years.

No. 7 - 7/15/53. Deletes certain work under Stage I as provided by Amendment No. 5.

Substitutes long hole drilling - 151 ft. @ $1,038 per ft.	$ 156.74
Drifting, crosscutting and raising from No. 2 stope	2,443.26
Repairs and rehabilitation of tramway	1,900.00

Deletes under Stage I - Step 7 D.D. 600 ft. from point D on map
Substitutes 69 ft. of drifting, crosscutting and raising from No. 2 Stope

No. 8 - 12/7/53. Extends time for completion of work from 27 months to 36 months (9/7/54).
Annex I substituted for Article 15 of contract form as amended in Amendment No. 6.
Extends period for royalty payment from 10 years to 12 years.

No. 9 - 5/7/54. In Annex I of Amendment No. 8 delete "From date of the contract" and substitute from date of Amendment No. 8 (February 10, 1954). This would be effective if Certificate of Discovery is <u>not</u> made. In this case ineffective since a Certification of Discovery has been made.

2. Contract continued:

Work completed -

February 10, 1954 - Field Team requested Operator to stop all exploration work.

Operators Report for January 1954	Operators 104 Report to 2-1-54			Terms of Contract		
Operator's report for Feb. not examined by Auditor. Does not check with Jan.	Work Completed	Cost Per Foot	Total Cost	Units Auth.	Unit Cost Auth.	Total Cost
Drifting	449 Ft.	$37.07	$16,644.49		$ 30.00	
Crosscutting	111 "	37.07	4,114.78		30.00	
Raising	175 "	37.07	6,487.27		25.00	
Long hole drilling	181 "	1.038	187.88		$1.00 - $1.038	
	Operating equipment		1,107.21			
	Rehab. and repairs		4,150.00			
Total cost to date	Operators report		$32,755.32			
" " " "	Allowed		$31,861.72			

2/24/54 Field Team Report covering work completed to 1/31/54

9	Drifts totalling	379	ft.
4	Crosscuts "	139	"
11	Raises "	160	"
11	Areas side-swiped	57	"
35	Headings Total	735	ft. or 21 ft. in each heading

Termination -

7-29-54 - By mutual consent, Operator lacks funds to proceed, fails to renew mine purchase agreement expiring 6/3/54.

7/14/54 - Chattle mortgage on real and personal property given to Winstra.
Field Team final report will be submitted coming fall months.

3. Audit Certificate:

Final Audit not yet made.

4. Certification of Discovery: Dated 10/4/54.

Ore Estimates -
Due to limited exploration work and irregular occurrence of ore deposits impossible to estimate any definite reserve tonnage or grade of ore.

Production -
Letter 7/8/54 - Field Team to the Operator acknowledges receipt of Operator's report of production.....
6/2/53 to 9/10/53 - 212.5 tons milled
3/5/54 to 3/15/54 - 122 tons milled
Concentrates produced estimated 15 tons Zn - 2 tons Cu.
Letter states by amendments 8 and 9, royalty to be paid on all production after 2/10/54
This effective if Certification of Discovery not made.
Since Certification of Discovery has been made royalty due from date of contract.
Operator in monthly reports states.....
2/53 to 3/54 - 485 tons ore milled
Average grade 4.5% combined metals 3% Zn - 1.5% Cu
Extraction 87% - 15 to 1 ration concentrates

5/25/53 Carload concentrates shipped to Kellog, Idaho.
10/16/53 Carload concentrates shipped to Tacoma, Washington.
4/2/54 Operator estimates 375 tons broken ore remaining in the mine.
11/9/54 No smelter settlement statements have been submitted.

COMMENTS:

Operation inefficient - on day to day basis - frequent change of objections, lack of adequate financing.

Work slanted to open small ore reserves and bad weather preventing operation of tramway part of the causes of increased costs over estimates.

Complex geology and Operator failed to obtain and correlate engineering and geological data.

The known ore body is a relatively flat, tabular replacement deposit containing sphalerite,chalcopyrite, galena and pyrite. It is composed of irregular bedded replacements and geological controls are difficult to recognize. The mineralized zone appears to be in certain horizons in metamorphic rocks.

Comments Continued:

The purpose of the project is to find the downward extensions of known ore deposits previously disclosed in higher workings. The program was designed to test certain blocks between northwest striking faults with long hole drilling, raises and crosscuts.

Folds and warps in ore horizon complicate proper direction of exploration.

Previously known ore body had been worked from two connected stopes through upper adit strike width of 40 ft. to 110 ft. stoping width 8 ft., and extending about 200 ft. from surface to near end of the level.

Ore shoot more or less continuous although pinched and faulted.

There had been no exploration beyond limit of stopes. Therefore, appeared possibility of extensions and possible ore structures in parallel quartz - epidote structures.

Reliable past proudction records not available.

The exploration results were not encouraging although a possible extension of copper ore north of No. 2 Stope was disclosed, but considered not important.

The exploration work was not sufficiently extensive to entirely prove or disapprove additional ore bodies. Further work must be considered highly speculative. Further exploration could best be accomplished by diamond drilling.

A. G. Keating
A. G. Keating

AGKeating/bih
11/10/54

Copies to (Docket - original)
Admr. Reading File
Mr. Griswold
Mr. Keating
Mr. Johnson

File Copy
Surname
J. W. Alb
Kiilsgaard
Hedges
Selbridge
Talbert

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

Mr. Henry T. Born, President OCT 4 1954
Spokane Mining Syndicate, Inc.
720 Peyton Building
Spokane 8, Washington

INTERIOR DEPT.
SEP 28 1954
SOLICITOR

Re: Docket No. DMA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-F137

Dear Mr. Born:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-F137, 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, DMEA 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

Basic Files
Glen L. Brink & Ethel M. B. Brink (lessor)
Don K. Busick (lessor)
Chron.
Region II (2)
Admr. R. File
Op. Committee
Cont.Adm.&Audit Div.
F. E. Johnson
W. R. Griswold
d/bjl (9/24/54)
Docket
Mr. Gumbel, Dr., MD, EPS
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard (5227)
Finance Office

R.G.

File Copy
Surname
J. W. Allen
Kiilsgaard
Hedges
Selfridge
Talbut

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 (for)

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.

RC 4.

file copy
Surname
J.W. all
Kiilsgaard
Hedges
Selfridge
Talbot

500

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

OCT 4 1954

Glen L. Brink and Ethel M. B. Brink
4118 McCall Blvd.
Bremerton, Washington

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

Dear Sir and Madam:

Referring to the cited exploration project, for your information we are enclosing a copy of the certification of discovery or development which has been sent to the Spokane Mining Syndicate, Inc. We are also enclosing a copy of our letter of transmittal of this certification.

Sincerely yours,

C. O. Mittendorf (fw)
Administrator

Enclosures 2

WRGriswold/bjl (9/27/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Hedges
Mr. Kiilsgaard
Region II (2)
Chron.

R.C.B.

File Copy
Surname
J.W. Alt.
Kiilsgaard
Hedges
Selfridge
Talbot

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

OCT 4 1954

Mr. Don K. Busick
4305 W. 166th Street
Lawndale, California

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

Dear Mr. Busick:

Referring to the cited exploration project, for your information we are enclosing a copy of the certification of discovery or development which has been sent to the Spokane Mining Syndicate, Inc. We are also enclosing a copy of our letter of transmittal of this certification.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

WRGriswold/bjl (9/27/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Hedges
Mr. Kiilsgaard
Region II (2)
Chron.

R.S.

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

Returned

OCT 4 1954

Mr. Don K. Busick
4305 W. 166th Street
Lawndale, California

no such address

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

Dear Mr. Busick:

Referring to the cited exploration project, for your information we are enclosing a copy of the certification of discovery or development which has been sent to the Spokane Mining Syndicate, Inc. We are also enclosing a copy of our letter of transmittal of this certification.

Sincerely yours,

O. Whitehead Jr.
Administrator

Enclosures 2

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-E137

Dear Mr. Born:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-E137, 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. E. Weissenborn, Executive Officer, DMEA 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

Copy to: Mr. Don K. Busick
4305 W. 166th St.
Lawndale, California

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-E137, 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. Mattheisdorf
Administrator, Defense Minerals
Exploration Administration

Copy to: Mr. Don K. Busick
4305 West 166th Street
Lawndale, California

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 28, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Spokane Mining Syndicate, Inc. (formerly Talisman Mining & Leasing Co.), DMA-525, Contract Idm-E137 (Copper-Zinc)- Certification of Discovery or Development

I am unable to approve the Certification of Discovery or Development which was submitted to this office on routing slip dated September 28. The certification is on the wrong form, and it will be necessary to redraft it on Form B provided in DMEA Circular 26.

I have discovered in talking with Mr. Selfridge this day that the reason why it is often desired to state the work performed in the certification is that the work in most cases can qualify as "development" within the meaning of the certification form. In that view of the case, I suggest that the second paragraph of the certification might be stated somewhat as follows:

> The nature of said discovery or development is described broadly or indicated as follows:
>
> Development.- Drifting on the No. 1 Adit level of the Talisman mine, and raising above this level, have increased the availability for production of ores in those areas.
>
> Discovery.- Copper-zinc ores occurring as replacement lenses in gneissic and schistose rocks were disclosed.

Inasmuch as there seems to be plenty of time to make this certification I have not attempted to put it in final form myself.

JLHofflund/emd
Copy to: DMEA Docket
Solicitor's Docket
W. R. Griswold (2)
Attachment J.L.Hofflund chron.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

R.C.G.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1954

XDXXXXXX-081K

YWB0388WA SQ 22 I-GS-G /DUPE AND CCTD CPY/

SPOKANE WASH 9-24-5488128A

MR. GEORGESC. SELFRIDGE

CHAIRMAN OPERATING COMMILLAE

DMEA DEQT OF ICTERIOR QA

RAOURLL SEPT. 22, CONTRACL IJM-E137, SPOKANE MINING SYNDUCATE, DOCKET DMEA 525. ADDRASSSBF DBN K. BUSUCK IU 4305 W. 166TH ST, LAWNDALE, CALIFORNIA.

JOHN S. VHAY, ACTING EXECUTIVE OFFICER

22 IDM-E137 525 4-05 166TH

WA 1135A

SEP 24 9 47 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1954

AXXXXXXX-064K

XDEQ25XWA06PK6LI-GS-G

SPOKANE WN 9-22-54 1107A

GEORGE C SELFRIDGE CHAIRMAN OPERATING COMM. DMEA DEPT OF INTERIOR

WA

REUR TT SEPT 21, CONTRACT IDM-E137, SPOKANE MINING SYNDICATE, DOCKET DMEA 525. GLEN L BRINK AND ASSOCIATES, 4118 MCCALL BLVD, BREMERTON,WN; ETHEL M BRINK, SAME ADDRESS. W B CHANDLER, 917 PAULSON BLDG. SPOKANE, WASHINGTON, HAS POWER OF ATTORNEY TO HANDLE ALL AFFAIRS. ADDRESSES OF DON K BUSICK AND GALE E. ANDERSON UNKNOWN.

JOHN S VHAY ACTNG. EXEC. OFCR

21 E137 525 4118 917

MH 1110A

SEP 23 9 47 AM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

File Copy
Surname
Griswold
Selfridge
Gilman

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

SEP 21 1954

T E L E T Y P E

WRGriswold/bjl,Rm. 4058, Ext. 3669

Base Metals Div., DMEA

[redacted]

14X4401(01) Revolving Fund,
Defense Production Act, Interior (allocated
Working Fund to the Office of the Secy.)

Date:

To: Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II,
Spokane 4, Washington

Please advise addresses of owners of land described in Contract

Idm-7137, Spokane Mining Syndicate, Docket No. DMEA-525.

George C. Selfridge
(By EST)
Chairman, Operating Committee

(written 9/20/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kiilsgaard
Chron.

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington
September 14, 1954

Mr. Don A. Gillis, Secretary
Spokane Mining Syndicate
730 Peyton Building
Spokane 1, Washington

Re: Docket No. DMA 525X (Copper-zinc)
Talisman mine
Ferry County, Washington
Contract No. Idm-X137

Dear Mr. Gillis:

This will confirm receipt of your September 4, 1954 letter wherein you propose settlement for the Government's percentage royalty on 14.62 tons of zinc concentrates that resulted from ore produced at the Talisman mine after February 10, 1954.

Your method of computing the Government's percentage royalty on the unsold concentrates is acceptable to the Field Team. The amount of this royalty is $6.95, and this amount will be withheld from the final payment to the Spokane Mining Syndicate.

Sincerely yours,

Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region II

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

SPOKANE MINING SYNDICATE, INC.
MAdison 4774
730 PEYTON BUILDING
SPOKANE 1, WASHINGTON

Jack Billard

September 4, 1954

Defense Minerals Exploration Administration
Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA 525X (Copper & Zinc)
Talisman Mine
Ferry County, Washington
Contract No. IDM-E 137

Dear Sirs:

Under date of July 8, 1954, and pertaining to subject paragraph concentrates, the writer on behalf of the operating company offers the following solution to expediate final settlement of the contract. To pay the required royalty due the government and the owners of the property, Glen Brink and Associates.

Zinc concentrates being the only appreciable amount for shipment and of any material value are computed at 14.62 tons.

Gross value of said zinc mineral would be $1297.01 on the basis of 11¢ per pound, together with lead $17.22 and Silver $33.89, for a total gross value of $1348.12.

Deductions of 20% off from the zinc would be $259.40 and silver, $6.80, and nothing for lead, gives a sub-total metal deduction of $283.42. Smelter treatment charges would be $499.04, for a further sub-total deduction of $782.46. Railroad freight and switching charges, plus tax, amounts to $179.75, leaving a net value of said concentrates of $385.91 before royalty charges are removed.

As set out in the aforesaid letter, the government's share in 36% of said concentrates being a net value of $138.93 and 5 per cent royalty, shall be $6.95. The owners will participate in 10% of the established net value, and it shall be $38.59.

Due to the uncertain time element when these concentrates can be removed and shipped and legal action now under way, which involves the personal property where these concentrates are stored, we therefore believe this a fair dissolution of the matter, by paying the royalties as set forth.

Yours very truly,

SPOKANE MINING SYNDICATE, INC.

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

RECEIVED
SEP 8 1954
U.S.G.S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
August 31, 1954

Mr. Henry T. Born, President
Spokane Mining Syndicate
730 Peyton Building
Spokane 1, Washington

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

Dear Mr. Born:

This is to inform you that the Government accepts the bid of Pacific Northwest Mining Company as follows for items purchased under Contract No. Idm-E137:

5 rail switches	$ 35.00
3000 feet fuse	25.00
900 lbs. powder	76.50
Total	$136.50

The Government's equity in the above is $68.25, and this amount will be withheld from monies due the Pacific Northwest Mining Company under their Contract No. Idm-E228.

The bid of the Spokane Mining Syndicate of $350.00 for the following items of equipment is also acceptable to the Government.

1 RH-656-2W Atlas rock drill, Serial #433190, with pneumatic pusher leg and hose (complete)
1 Rotary grinder, Serial #422458
1 Raising feed
2 Duo-Therm oil heaters and tanks
397 feet 1" pipe
481 feet 1½" pipe
Miscellaneous pipe fittings
1 ton 8# rail
30 pr. splice bars
5 - 5' 3" Sandvik Coromant steel
73' 1/2" pipe

Receipt is acknowledged of your check No. 1831 in the sum of $175.00 which represents the amount of the Government's equity in the salvage value.

By Field Team, Region II

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

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

cc: BMEA, Wash. (2)
USGS (2)
Certifying Officer (2)
Auditor

P.S. With respect to the purchase of the powder, fuse, and other materials by the Pacific Northwest Mining Company, we will, as stated, deduct the Government's share of this from monies due them from the Government. We assume that you will take steps to obtain directly from the Pacific Northwest Mining Company the $68.25 due you.

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

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

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

Dear Mr. Born:

This is to inform you that the Government accepts the bid of Mr. Henry Wynstra in the sum of $500.00 for 6400 feet of 9/16" traction rope, tramway bucket, traction rope assembly and guide sheaves, all in place, at the subject property.

Receipt is acknowledged of your check No. 6032 in the sum of $250.00 for the Government's equity in the above items.

By Field Team, Region II

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

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

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

8/16/54

Spokane Mining Syndicate, Inc.

750 Peyton Building

Spokane 1, Wash.

I hereby submit my bid of $500.00 for approximate 6200 feet of 9/16 low steel cable, one tram bucket, one sheave wheel assembly, another horizontal wheel assembly, as per DMEA inventory and is understood to include all that part of tramway cables or assembly in which Spokane Mining Syndicate owns jointly with the Defense Minerals Exploration Administration.

Henry Wynstra

Address:

St. John, Washington

C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Defense Minerals Administration
AUG 26 1954

August 20, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Enclosed are the original and two copies of a Termination Agreement which has been signed by the Operator.

Distribution of this document is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Finance Office w/encl.
USBM (2)
Puffett

File Copy
Surname
J.W. Alt.
Gilmore
Talbot
Selfridge
H Johnson

UNITED STATES 500
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 29 1954

Mr. A. F. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-5257 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-M137

Dear Mr. Weissenborn:

We are enclosing the original and five copies of a Termination Agreement for your signature. This is in accordance with your letter of June 28, 1954.

Please present the agreement to the Operator for approval and signature and, when completed, distribute the copies in the usual manner.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosures 6

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

D. M. Larrabee
Member, Geological Survey (JHB)

JWAlt/bjl (7/23/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
~~Mrxxkix~~
Mr. C. H. Johnson
Mr. Gildersleeve
Chron.

P. S. No final financial settlements should be made prior to ascertaining that there are no outstanding unpaid royalties or other Government claims. We plan to certify this project so that the Government's interest is properly protected.

R.C.S.

File Copy
Surname

J. W. Alt
signed

500

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

July 23, 1954

Memorandum

To: Administrator

From: Base Metals Division

Subject: Mutual termination agreement, Docket No. DMA-525X, Contract No. Idm-E137, Spokane Mining Syndicate, Inc., Talisman Mine, Ferry County, Washington (copper-zinc)

We concur with the Field Team that the cited contract should be terminated by mutual agreement as the Operator could not negotiate a new Purchase Agreement on the Talisman property.

In a phone conversation on July 8, 1954, the Field Team stated that the Operator is out of funds, and they wished to effect a quick settlement before the usual legal tangle of conflicting creditors, etc., started.

The date of the contract is September 7, 1951, and the work was to be completed in 12 months. By Amendment No. 8, the completion time was extended to 36 months. Annex I is attached to this amendment.

Certification of this project will be made when the Operator has signed the termination agreement and it has been returned to this office.

W. R. Griswold

W. R. Griswold

JWAlt/bjl

Copy to: Docket
Base Metals
Chron.

R.C.S.

File Copy
Surname
J.W.Alt.

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

July 13, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Chief, Base Metals Division

Subject: Mutual Termination Agreement for Contract No. Idm-E137, Docket No. DMA-525X (Copper-Zinc), Spokane Mining Syndicate, Ferry County, Washington

Will you please prepare a mutual termination agreement for the cited contract. This agreement to be prepared for the signature of the Executive Officer of Region II. This project will be certified after the mutual termination agreement has been signed by the Operator.

W. R. Griswold

W. R. Griswold

JWAlt:er

Copy to: Docket
Base Metals
Chron.

File Copy
Surname

Griswold
Selfridge
F. Johnson
Mitchendorf

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

JUL 9 - 1954

WRGriswold/bjl, Rm. 4058, Ext. 3669

Base Metals Div., DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to Office of the Secretary)

T E L E T Y P E

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Date:

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, Spokane, Washington

Reurlet June 28 and phone call July 8, Docket DMA-525X, Spokane Mining Syndicate, Inc., Contract Idm-E137. We approve your request for mutual termination of this contract and we will prepare it here to forward to you.

George C. Selfridge
Chairman, Operating Committee (246)

(written 7/9/54)
Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Gildersleeve
Accounts
Confirmation
Chron.

R.C.B.

File Copy
Surname

UNITED STATES 500
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

July 8, 1954

MEMORANDUM for the Files

From: Chief, Base Metals Division

Subject: Docket No. DMA-525X (copper-zinc), Spokane Mining Syndicate, Inc., Talisman Mine, Ferry County, Washington, Contract No. Idm-E137

In a phone conversation of this date with Mr. Weissenborn and Mr. Kiilsgaard of Region II, referring to the cited contract, they called attention to their letter of June 28.

They requested that we teletype them at once, advising that we approve the mutual termination agreement, so that they may immediately start action to salvage such equipment and supply funds as may be available. They emphasized that the Operator is out of funds and has lost his lease on the property, that they wish to effect a quick settlement before the usual legal tangle of conflicting creditors, etc., comes into effect.

W. R. Griswold

WRGriswold/bjl

Copy to: ~~Docket~~
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
So. 157 Howard Street
Spokane 4, Washington

July 8, 1954

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

Re: Docket No. DMA-525X (copper-zinc)
Talisman Mine
Ferry County, Washington
Contract No. Idm-2137

DMEA

Dear Mr. Horn:

Your request of June 21, 1954, for termination of the subject contract by mutual agreement has been granted.

You are requested to take immediate action 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 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."

For your guidance we are enclosing a listing of the salvable equipment, materials and supplies which are at the mine and in which the Government retains an equity.

Mr. Don Gillis of your company informs us that from June 2, 1953, to September 10, 1953, 212.5 tons of ore were milled and between March 5 to March 13, 1953, 122.0 tons were milled for a total of 334.5 tons. Concentrates produced are estimated at 15 tons zinc concentrate and 2 tons copper concentrate. By the terms of Amendments Nos. 8 and 9 of the contract, all minerals mined or produced after February 10, 1954, (date of Amendment No. 8), are subject to percentage royalty. Prorating the concentrate on the basis of mine production, 122/334.5 or 36 percent of the concentrates are subject to Government percentage royalty. Undoubtedly, the royalty will be computed at 5 percent of the net smelter returns as the value will exceed $11.00 per ton. Royalty payments to the Government should be accompanied by suitable evidence, such as settlement sheets, name and address of the purchaser, along with a certification that the price and charges are correct. Checks should be drawn in favor of the Treasurer of the United States and mailed to A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

1954

We urge the immediate liquidation of the equipment and supplies in which the Government has an equity so that final settlement of the contract can be made.

By Field Team, Region II

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

Thomas E. Howard
For: Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure

cc: DMEA (2)
USBM (2)
Puffett

Items of Salvable Equipment, Materials & Supplies
at Talisman Mine, Contract Idm-2137
(as of July 2, 1954)

1	RH-656-2# 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	Due-Therm oil heaters and tank	116.42
397'	1" pipe	53.60
481'	1½" pipe	96.41
73'	1/2" 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" 6x7 improved plow steel traction rope with sheave clips and thimbles	1,371.96
1	Tramway bucket	294.50
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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Defense Minerals Administration
RECEIVED
JUL 12 1954

July 6, 1954

Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

In our letter to you of June 28, 1954, it was recommended that the subject contract be terminated by mutual agreement, as the Spokane Mining Syndicate, Inc., could not negotiate a new Purchase Agreement on the Talisman property. Since the above date we have received additional information which may have to be taken into consideration in terminating the contract.

On July 14, 1953, a real estate and chattel mortgage was entered into between Henry Wynstra of St. John, Washington, and Henry T. Born, president of the Talisman Mining & Leasing Company, in which real property and personal property used in operations of the Talisman mine were mortgaged to Mr. Wynstra. A copy of the mortgage is enclosed.

Field Team personnel visited the property July 2, 1954, to inventory all equipment and supplies in which the Government has an equity. A list of the equipment and supplies is enclosed for your information.

Mr. Hoor, mill superintendent at the Talisman property, informed the Field Team representatives that Mr. Brink and Mr. Busick, owners of the Talisman mine, had installed a lock on the bull wheel of the tram line to prevent removal of any equipment or supplies from the property.

It is, of course, essential that the equipment and supplies in which the Government has an equity be removed from the mine to a more accessible place. We do not think that we should attempt to ~~check~~ deal directly with Brink and Busick at this time; we feel that this is up to the Spokane Mining Syndicate. However, immediately on receipt from you of permission to terminate the contract, we propose to write the Spokane Mining Syndicate instructing them rather forcefully that it is their responsibility and obligation to dispose at once of the equipment and supplies in which the Government has an interest. It is our hope that the owners will then permit the Spokane Mining Syndicate the use of the tramway for long enough to bring the equipment and supplies from the mine to the mill where it will be available for inspection and sale. We would, however, appreciate your counsel as to what steps the Government may take to protect its equity in the equipment and supplies in the event that the above plan does not work.

By Field Team, Region II

A E Weissenborn

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

Thomas E Howard

Thomas E. Howard
For: Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures - 2

cc: USBM (2)
Puffett

Defense Minerals Administration
RECEIVED
JUL 12 1954

SPOKANE MINING SYNDICATE
Contract Idm-E137

Quantity	Item	Date purchased	Cost	Govt. Part.
1	RH-656-2W Atlas Rock Drill Serial #433190	9/11/52	$ 340.00	$ 170.00
1	Pneumatic Pusher Leg	9/11/52	155.00	77.50
1	Set hose, complete	9/11/52	18.00	9.00*
1	Rotary grinder, Serial #422458	9/11/52	196.01	98.00
1	Extension rod	9/11/52	10.75	5.37*
1	Raising Feed	10/21/52	216.30	108.15
1	Duo-Therm Oil heater Model #675-2 Serial #1419R39	11/19/52	53.60	26.80
1	Tank #465	11/19/52	6.35	3.17*
1	Duo-Therm Oil Heater	12/31/52	56.47	28.23
6400	ft. 9/16" 6x7 improved plow steel traction rope with sheave clips and thimbles		1,371.96	685.98
	Pipe			
397	feet 1" pipe	6/52, 9/52, 1/53, 2/53	53.60	26.80
481	feet 1½" pipe	"	96.41	48.20
75	feet ½" pipe	10/52	5.00	2.50
	Pipe fittings		30.19	15.09
	Rail			
1	ton used 12# rail	7/52	50.00	25.00
5	rail switches		108.70	54.35
30	pr. splice bars	10/52	13.29	6.64

	Miscellaneous			
2	Guide sheaves with shafts	7/52	40.00	20.00
2	Sheave bases		23.00	11.50
1	Tramway bucket	10/51	294.50	147.25
2	traction rope sheave assemblies	10/51	93.50	46.75
20	5/8" Crosby rope chips		11.20	5.60*
	Powder and Fuse			
21	cases powder and 4000 ft. fuse		?	?
	Total		$3,243.83	

* No salvage value

Office File
Department of the Interior
Defense Minerals Administration
RECEIVED
JUL 12 1954

REAL ESTATE AND CHATTEL MORTGAGE

This Indenture made this 14th day of July, 1953, between Talisman Mining and Leasing Company, a corporation of the State of Washington, party of the first part, and Henry Wynstra, of St. John, Washington party of the second part, WITNESSETH:

That said party of the first part, for and in consideration of the sum of Six Thousand Four Hundred Dollars, lawful money of the United States, in hand paid by said party of the second part, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell, convey, confirm and deliver unto the party of the second part, and to his heirs and assigns, the following described real property and personal property situated on and/or used in connection with said property near Laurier, in Orient Mining District, Ferry County, State of Washington, to wit:

Mine Equipment:

One 210 cu. ft. Chicago Pneumatic Compressor with power.

One 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.

Cook house and bunk house for the accomodation of twelve men.

Tool houseand compressor house

Miscellaneous kitchen equipment - beds and mattresses.

75-ton Flotation mill located on land owned by Great Northern Railway Company and held by first party under license and permit from said railway company and a 3000 ft aerial tramway connecting mine with mill, the said mill equipment consisting of the following:

1- 10" x 20" Pacific jaw crusher
1 set crushing rolls - 16" x 30"

1 Hardinge Ball Mill 8' x 22"
1 Bake Type Classifier
1 - 6 - cell flotation unit of 30" cells (copper)
1 - 5' x 5' conditioner
1 - 6 - cell flotation unit of 30" cells (zinc)
2 sand pumps
1 - 4 - leaf 4 Ft. disc filter complete with vacuum equipment
Miscellaneous reagent feeders, conveyors, motors, etc.

Said ball mill being driven by direct drive from a G.M. six-cylinder diesel engine, the rest of the mill being electrically driven from a diesel electric unit of 75 KW capacity.

1-2½ K.W. light plant

2 Electric 5 H.P. pumps for pumping water from Kettle River 3000 feet distant.

Pump House and its equipment on NE¼ SE¼ sec. 3, Twp 40 N.R. 36., being portion of land leased by second party from William Gallagher and wife.

One acre more or less situate in N½ SW¼ SE¼, sec. 3, Twp 40 N.R. 36 E.W.M. particularly described in warranty deed thereto from Oscar Pratt dated December 9, 1947, recorded February 14, 1948 in Book 19 of Deeds p. 1, Records of Ferry County, Washington, together with company office and living quarters for millmen on said Pratt land;

Together with all licenses, permits, leases, pipes and pipe lines, power and telephone lines and accessories, flumes, easements, roads and rights of way, millsites, tailings, dumps, water rights, and all other personal property or interest in real property and mining and milling equipment and buildings situate on and/or used in connection with said mine and mill and mining properties, together with all and singular the tenements hereditaments and appurtenances thereunto belonging.

This Conveyance and/or Bill of Sale is intended as a mortgage to secure the payment of Six Thousand Four Hundred Dollars, lawful money of the United States, together with interest thereon in like

lawful money, according to the terms and conditions of that certain promissory note set forth in haec verba as follows:

TALISMAN MINING AND LEASING COMPANY
730 Peyton Building
Spokane, Washington

PROMISSORY NOTE.

$6,400.00 Spokane, Washington July 14th, 19[illegible]

For value received, the undersigned, TALISMAN MINING AND LEASING COMPANY, a corporation of the State of Washington, promises to pay to the order of Henry Dynstra, of St. John, Washington, the sum of Six Thousand Four Hundred Dollars, lawful money of the United States with interest in like lawful money on the unpaid balances thereof from time to time, from date until paid, at the rate of six per cent per annum, principal and interest payable as follows:

$300.00 on December 31, 1953;
$500.00 on June 30, 1954;
$933.00 On December 31, 1954;
$933.00 On June 30, 1955;
$933.00 on December 31, 1955;
$933.00 on June 30, 1956;
$933.00 on December 31, 1956; and the balance of
$935.00 on June 30, 1957;

until this note is fully paid, the accrued interest on the balance remaining unpaid to be added to each of such payments as and when the same become due and payable. In addition to the payments aforesaid, the borrower shall have the right at any time to pre-pay the whole or any part hereof, any such additional payments to be credited first upon the accrued interest and then upon principal. All payments of principal and interest are to be made to the payee at St. John, Washington.

If default be made with respect to any payment herein provided for, the holder hereof may elect to declare the entire balance hereof immediately due and payable, and in any suit hereon, shall be entitled to recover, in addition to the costs and disbursements provided by statute, a reasonable attorney's fee.

TALISMAN MINING AND LEASING COMPANY

By BY HENRY T. BORN President

Attest: BY SAM PERRY Secretary

and these presents shall be void if such payment be made according to the terms and conditions thereof.

But in case of default in the payment of the principal or interest of said promissory note, or any part thereof, according to the terms thereof, or of abandonment of the personal property hereby mortgaged or of the premises where such personal property is kept, then the said party of the second part, his personal repre-

sentatives and assigns, are hereby authorized to declare all of said sums at once due and payable and may thereafter in any manner provided by law foreclose this mortgage for the whole amount of the principal and interest, whether the same shall be then due or not.

And in any suit or other proceedings for the recovery of any part of the principal and interest on either said note or this mortgage, it shall be lawful for the second party to include in the amount that may be recovered (in addition to costs provided by law) reasonable attorney's fees, as well as all payments that second party, his personal representatives and assigns, may be obliged to make for his or their security by insurance, or on account of any taxes, charges, premiums, incumbrances or assessments whatsoever on said premises, or any part thereof, or on said personal property or any part thereof and any such advances so made shall bear interest at the rate of 6% per annum from date of advance until paid.

While this mortgage is in force and effect, first party agrees to keep the hereinbefore described property insured against loss by fire in the sum of $25,000, at its own expense, payable to second party as his interest may appear.

IN WITNESS WHEREOF the said party of the first part has hereunto caused its name to be signed by its President and its Corporate Seal to be hereunto affixed, attested by its Secretary the day and year first above written.

TALISMAN MINING AND LEASING COMPANY

By Henry D. Bohn President

Attest: Sam Perry Secretary

STATE OF WASHINGTON }
County of Spokane } ss.

Henry T. Born, being duly sworn, says that he is the President of said mortgagor corporation and makes this affidavit in its behalf, and that said mortgage is made in good faith, and without any design to hinder, delay or defraud any creditor.

Henry T. Born

Subscribed and sworn to before me this 14th day of July, 1953.

Donald C. Ericson
Notary Public in and for the State of Washington, residing at Spokane

STATE OF WASHINGTON }
County of Spokane } ss.

On this 14th day of July, 1953, before me personally appeared Henry T. Born, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

Donald C. Ericson
Notary Public in and for the State of Washington residing at Spokane

Office file

DEPARTMENT OF THE INTERIOR
Colorado Cheyenne
JUL 12 1954

TALISMAN MINING AND LEASING COMPANY

730 Peyton Building
Spokane, Washington

PROMISSORY NOTE.

$6,400.00 Spokane, Washington, July ____, 1953.

For value received, the undersigned, TALISMAN MINING AND LEASING COMPANY, a corporation of the State of Washington, promises to pay to the order of Henry Nymstra, of St. John, Washington, the sum of Six Thousand Four Hundred Dollars, lawful money of the United States with interest in like lawful money on the unpaid balances thereof from time to time, from date until paid, at the rate of six per cent per annum, principal and interest payable as follows:

$300.00 on December 31, 1953;
$500.00 on June 30, 1954;
$933.00 on December 31, 1954;
$933.00 on June 30, 1955;
$933.00 on December 31, 1955;
$933.00 on June 30, 1956;
$933.00 on December 31, 1956; and the balance of
$935.00 on June 30, 1957;

until this note is fully paid, the accrued interest on the balance remaining unpaid to be added to each of such payments as and when the same become due and payable. In addition to the payments aforesaid, the borrower shall have the right at any time to prepay the whole or any part hereof, any such additional payments to be credited first upon the accrued interest and then upon principal. All payments of principal and interest are to be made to the payee at St. John, Washington

If default be made with respect to any payment herein provided for, the holder hereof may elect to declare the entire balance hereof immediately due and payable, and in any suit hereon, shall be entitled to recover, in addition to the costs and disbursements provided by statute, a reasonable attorney's fee.

TALISMAN MINING AND LEASING COMPANY

By_____President

Attest:_____Secretary

Official File

Principal just not $500.00 in interest paid. S.Z.

BE IT RESOLVED WHEREAS this company is in great need of a loan for pressing liabilities including the Merrill judgment against the company that have to be paid at once, and

WHEREAS Henry Wynstra of St. John, one of our stockholders, has agreed to loan this company the sum of $6,400.00, and

WHEREAS the board of directors of this company had submitted to them a form of promissory note for $6,400.00 from this company to Henry Wynstra and a form of real estate and chattel mortgage as security for the loan.

NOW THEREFORE, BE IT RESOLVED that the terms and conditions of said promissory note and said real estate and chattel mortgage be and the same are hereby approved and

BE IT FURTHER RESOLVED that the proper officers of this company be and they are hereby authorized to execute the said promissory note and the said real estate chattel mortgage.

Dated at Spokane, Washington this _____day of July, 1953.

_____President

_____Secretary

_____Vice-President

_____Treasurer

_____Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

June 28, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Enclosed is a copy of a letter dated June 21, 1954, from Mr. Henry T. Born, President of the Spokane Mining Syndicate, Inc. Mr. Born requests termination of the cited contract because of failure to negotiate a new Purchase Agreement of the Talisman property.

It is requested that Mr. Born's request be approved and that a mutual termination agreement be drawn and forwarded to the field for signature. We are advising Mr. Born that the government should receive a royalty from all concentrates produced from ore mined since February 10, 1954, as specified in Amendment No. 9.

The Field Team final report on this project will be submitted during the coming fall months, as our current work load will not allow us to give this report any quicker attention.

The Field Team will not recommend certification of discovery for project work.

By Field Team, Region II

A. E. Weissenborn

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

Thomas E Howard
For. Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosure
cc: Certifying Officer
USBM (2)
Puffett

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

P. O. 151 Howard Street
Spokane 8, Washington

June 28, 1951

Mr. Henry T. Bore, President
Spokane Mining Syndicate, Inc.
150 Peyton Building
Spokane 8, Washington

Re: Docket No. [illegible] (copper-zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. [illegible]

Dear Mr. Bore:

Reference is made to your letter of June 21, 1951, in which you request termination of the cited contract.

We have forwarded your request to Washington, D. C., recommending that a mutual termination agreement be drawn and forwarded to the field for signature. You may expect to receive this document in the near future.

Concerning your question on the disposal of concentrates in the bin at the mill, I wish to advise that the government has a royalty of 5 percent of the net smelter returns of these concentrates which were produced from ore mined since February 20, 1954. A check on royalty repayment should be made when these concentrates are shipped to the smelter, payable to the Treasurer of the United States. The check should be forwarded to this office.

Our Contracting Officer advises that we are currently withholding from payment to you the amount of $[illegible] which would be for payment of invoices submitted for Treasury. This amount will be withheld until you have submitted your final report and until you have disposed of any joint-use items of equipment and/or salvageable material in which the government has an equity.

Sincerely yours,

[illegible]
Executive Officer, DMEA
Field Team, Region [illegible]

cc: USBM (2)
DMEA (2)
Puffett

SPOKANE MINING SYNDICATE, INC.
MAdison 4774
730 Peyton Building
Spokane 8, Washington

June 21, 1954

Mr. A. E. Weissenborn
Regional Administrator
D.M.E.A. Field Team
U. S. Geological Survey
Region II
157 South Howard Street
Spokane, Washington

Re: DMA - 525X
Cu - Zn - IDM-E-137

Dear Mr. Weissenborn:

This is to advise you that due to circumstances beyond our control, we wish to terminate our D.M.E.A. exploration contract, same to have effect immediately.

The Talisman Mining and Leasing Company, with whom we had an Operating Management Agreement to operate the Talisman property, failed to negotiate a new Purchase Agreement of the property with the original owners, which expired around June 3, 1954.

We have instructed our engineer, Mr. Walter A. Richelsen, to make a final report and summary of our Talisman exploration project, which when completed we will pass on to you.

There are some concentrates in the bin. Will you please advise what you want us to do with same; also advise what disposition should be made of any supplies and equipment that D.M.E.A. has an equity in.

Mr. Weissenborn, we wish to take this opportunity to express our profound thanks to you and your entire staff, also the staff of the Bureau of Mines, for their fine work and their unselfish and untiring efforts and cooperation in assisting us with our operation of the project. You and your staff were ever willing to work out the many problems in connection with the operation. Our staff and personnel shall be forever grateful. It is regrettable that our combined efforts did not result in complete success.

If there is any further information you desire, please do not hesitate to call upon me.

With kindest personal regards.

Very respectfully yours,

/s/ Henry T. Born

President

HTBorn:bm

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

May 17, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of Amendment No. 9 to the cited contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Finance Office w/encl.
USBM (2)
Puffett

File Copy
Surname
J. W. Alt
Signed
Chairman
Selfridge
J. Johnson

500

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

MAY 10 1954

Mr. A. F. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-525X (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-X137

Dear Mr. Weissenborn:

We are enclosing the original and five copies of Amendment No. 9 to the cited contract, signed by this office for the Government. Your letter of April 16, 1954, was referred to the Legal Department and they prepared this amendment as they feel that the contention of the Operator in this matter is correct.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the amendment is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (24B)

Enclosures 6

JWAlt/bjl (5/6/54)

APPROVED:

J. H. Hedges (24B)
Member, Bureau of Mines

T. P. Thayer (24B)
Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

RCS

SPOKANE MINING SYNDICATE, INC.
MAdison 4774
730 PEYTON BUILDING
SPOKANE 8, WASHINGTON

DEPARTMENT OF THE INTERIOR
Defense Minerals Admin
RECEIVED
SEP 13 1954

April 19, 1954

Mr. A. E. Weissenborn,
Executive Office, D.M.E.A.
Field Team, Region II
United States Geological Survey
South 157 Howard Street
Spokane, Washington

DMEA

Re: Docket No. DMEA-525X
Commodity - Cu. - Zn.
IDM-E - 137

Dear Mr. Weissenborn:

This is to advise that we are having a difficult time trying to get a diamond drill contractor to take over the proposed drilling operation at our Talisman operation. The claim is that the footage is insufficient to justify setting up a rig and the movement of machinery and supplies necessary for the job.

Another situation has come up, and that is the original purchase agreement between the Talisman Mining and Leasing Company, Inc. and the owners of the property, Glen Brink and Associates, expires around June 3, 1954. A substantial payment is due on the property. Consequently, Spokane Mining Syndicate, Inc. is reluctant to spend any more on the Talisman operation, unless, of course, the owners will agree to an extention of the Purchase Agreement.

The Talisman Company is arranging for a meeting with the owners of the property in an effort to have the purchase agreement extended. The meeting is tentatively set for Saturday, May 1, 1954.

Should the Purchase Agreement be extended, Spokane Mining Syndicate, Inc. perhaps would again make an effort to secure a drilling contractor to go ahead with the diamond drilling as suggested by your office.

However, should the Purchase Agreement not be extended, Spokane Mining Syndicate, Inc. does hereby ask to withdraw from the remaining unfinished portion of the D.M.E.A. exploration contract.

We shall notify you of the results of the meeting scheduled for Saturday, May 1, 1954, between the owners of the property and the Talisman Company.

We beg your indulgence in this matter until you hear from us further.

Very respectfully yours,

Harry T. Born
President

HTBorn:bm

RECEIVED
APR 20 1954
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

April 19, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Acknowledgment is made of the receipt of your letter dated April 14, 1954, regarding the status of Amendment No. 8 to the above contract; signed copies of this amendment were forwarded to your office under cover of a letter dated April 16, 1954.

Sincerely yours,

Ina Mae Legge

Ina Mae Legge
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

April 16, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

I am enclosing herewith the original and two copies of Amendment No. 8, together with Annex I, to the above contract, which has been signed by Mr. Born. Mr. Born's signature was obtained when he was in our office and the Operator's Copy handed to him. The other copies are being distributed in the usual manner.

When Mr. Born arrived at this office to sign the amendment he was instructed to read it over carefully before signing. I had intended to discuss the amendment with him but as I was occupied with other matters I was delayed in arriving at the conference. I found upon my arrival that Mr. Born had signed the amendment without realizing the importance of the provision in Annex I, which specifies that a repayment royalty shall be paid on all minerals mined or produced from the land from the date of the contract regardless of any certification of discovery or development. The point here is that ore has been produced during the time the contract has been in operation. Under the old contract no royalty was expected from this ore unless a discovery was certified, and in the case of this contract we are very doubtful that a discovery will be certified.

After I had advised Mr. Born of the provision in Annex I, he informed me that he was aware that he would be required to pay royalty on all ore produced since the beginning of the contract, if a discovery was certified and was quite willing to do so. He also stated that he thought it quite fair to pay royalty on ore produced from the date Amendment No. 8 was signed, but that he objected to paying royalties back to the date of the contract in the event there was no certification.

I informed Mr. Born that although I was sympathetic with his position he should not have signed the amendment unless he was in agreement with it, but I agreed to bring the matter to your attention to see if an adjustment could be made.

At the present time I would recommend that the Government exercise its right in Article B and waive its royalty to ore produced before Amendment No. 8 went into effect as the amount that would be received would be negligible. If a discovery is certified royalty would, of course, become due on this as well as any other ore produced after the contract became effective.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Finance Office w/encl.
USBM (2)
Puffett

FILE COPY
SURNAME

500 J. W. Alt
Swinnerton
Selfridge
H. Johnson
Mattendorf

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

APR 14 1954

Mr. A. F. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-525X (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. Idm-F137

Dear Mr. Weissenborn:

On February 11, 1954, we sent you the original and five copies of Amendment No. 8 to the above contract. To date, we have not received our copies of the signed amendment.

Will you please advise us, at your earliest convenience, regarding the status of this amendment.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

APPROVED:

Member, Bureau of Mines (GCS)
D. M. Larrabee

Member, Geological Survey (GCS)

JWAlt/bjl (4/12/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

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

MAR - 3 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

Ray L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 19, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.B. 3-19-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

15 1954

March 10, 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:

This letter will confirm in writing the conclusions reached at our recent conference in the Spokane DMEA office, at which time a diamond drill program was outlined as part of Stage II of the exploration at the Talisman mine. The following data on the proposed holes has been shown diagrammatically on a map previously submitted to you.

Hole No.	Length (feet)	Horizontal Angle	Vertical Angle (degrees)	Location
1	70	N. 38° W.	+5	Face No. 111 N. drift
3	80	N. 55° W.	+5	Face No. 102 W. drift
4	80	N. 55° W.	+35	Face No. 102 W. drift
5	70	S. 20° E.	+60	20' from face no. 109 N. drift
6	100	S. 50° W.	-50	12' from face 102 W. drift
7	80	S. 50° W.	+50	12' from face 102 W. drift
8	80	Due S.	-70	12' from face 102 W. drift

The sequence of drilling is to be: first hole, No. 8, followed in order by holes 6, 7, 4, 3, 1, 5. If results from the first three holes justify it, changes may be made in the location of other holes with the prior approval of the Government.

Very truly yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
So. 157 Howard Street
Spokane 4, Washington

March 9, 1954

Mr. W. A. Nicholson
Consulting Mining Engineer
709 Central Building
Seattle 4, Washington

Re: Docket No. DMA 525 (copper-zinc)
Spokane Mining Syndicate
Talisman Mine, Ferry Co., Washington
Contract No. DMA-A137

Dear Mr. Nicholson:

We have your letter of March 5, 1954, wherein you inquire concerning forms on which to plot data from proposed diamond drilling at the Talisman Mine. We certainly appreciate your interest and foresight in this matter as it generally is not given the consideration it deserves on many drilling programs.

The data which can be included on a diamond drill log depends, in large part, on the ability of the one who does the logging. I am referring of course to the amount of geologic detail. The measurable data, such as the location, declination, length of core recovered, and assay data, can of course be recorded by most drilling personnel and is very necessary. You do not state so in so many words, but I infer that the logging of the holes will probably be done by Mr. Hall, and thus you are concerned with a drill log he will be competent to maintain satisfactorily. If this is true, the penciled sketch No. 1 you enclose with your letter is satisfactory. On this outline, you have left a place for remarks where the logger can note any specific detail he considers pertinent, and this should suffice.

We plan to make logs of the core also, and the logs we keep will perhaps be more detailed, as concerns geology, than the logs the company keeps. Nonetheless, the other data on the hole, which we include in our logs will probably be obtained from you or Mr. Hall, and of course the more precise it is, the greater its use will be.

We have received no word from Mr. Horn as to when the drilling is to begin. If you visit Spokane before the drilling begins, please visit our office and we may discuss possible drill log outlines in more detail.

Yours very truly,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Puffett

cc: Henry T. Horn
750 Peyton Bldg.
Spokane, Wash.

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

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

Betty

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 feet. 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 cognizant 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

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

1201 N. Division St.
Spokane 2, Washington
February 24, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: W. S. Anderson and S. W. Zoldok, Mining Engineers, U. S. Bureau of Mines

Subject: Exploration costs, Docket No. DMEA 525 (copper-zinc), Spokane Mining Syndicate, Inc., Talisman Mine, Ferry County, Washington, Contract Idm-E137

This memorandum is intended to review the exploration and costs of the subject contract in view of the sharp increase in costs beginning in December 1953.

For the period September 1952 to July 1953 a total of 674 feet of drifts, raises and crosscuts and 141 lineal feet of sideswiping was done. Three lineal feet of sideswiping is considered equivalent to one foot of drift or crosscut advance. For this period the contract labor cost was $15.00 per foot as permitted by Amendment No. 3. All other costs, excluding labor and supervision, were $22.97 per foot.

No exploration was done during the August 1953 to November 1953 period; however, the tramline was repaired during August 1953.

Exploration was resumed in December 1953 and during the month 12 feet of raising and 5 feet (15 lineal feet) of sideswiping was done. The labor cost was $43.79 per foot and all other costs were $14.44 per foot.

During the month of January 1954, 10 feet of raising and 5 feet (15 lineal feet) of sideswiping was done. The labor cost was $52.61 per foot and all other costs were $28.47 per foot.

Discussion

The estimated costs of the work were $30.00 per foot for drifts and crosscuts and $25.00 per foot for raises. The going contract labor rate in the district is $8.00 to $10.00 per foot and the Operator was paying $15.00 per foot. The increased rate can be justified by the physical conditions attending the operation.

In a letter dated September 21, 1953 the Operator requested an amendment to the contract to raise the labor contract rate from $15.00 to $20.00 per foot. In their answering letter dated September 25, the Field Team denied this request for valid reasons. Amendment No. 3, which permitted the Operator to pay the $15.00 per foot rate, did not specify the rate as an allowable maximum if the labor was not contracted; consequently, when work was resumed in December 1953 the labor was placed on an hourly wage basis with the result that labor costs jumped from $15.00 to an average of $47.93 per foot for the months of December and January.

Work completed to January 31, 1954 is 4 crosscuts totaling 139 feet, 9 drifts totaling 379 feet, 11 raises totaling 160 feet, and 11 areas of sideswiping totaling 57 feet (171 lineal feet). All exploration totals 735 feet in 35 headings or an average of 21 feet in each heading. Lateral exploration headings can be enclosed in an area approximately 220 feet by 180 feet.

Conclusions

It appears that the estimated costs of drifting, crosscutting and raising were low considering the physical conditions existing at the mine; however, it is believed these estimates would not have been greatly exceeded if the exploration had not been slanted with an eye to expoiting the small ore reserves. It appears that the primary purpose of some if not most of the sideswiping was to mine exposed ore in drifts, raises and stopes and was of questionable value from an exploration standpoint.

The exploration has been carried on in a very inefficient and haphazard manner. It appears that the course of exploration was determined on a day to day basis, with frequent changes in objectives. This is probably the reason the Operator is unable to obtain contract labor at $15.00 per foot even though the rate exceeds that at other mines and there is a mine labor surplus.

The Operator has failed to obtain and correlate geological data by detailed mapping of existing workings which would serve as a guide in exploration. Had this been done the large number of exploration headings would not have been necessary as the work could have been intelligently planned and more geological information obtained for the money spent. This is particularly important as the geology at the Talisman mine is very complex.

On February 10, 1954 a Field Team representative requested the Operator to stop all exploration work. At a conference between the Field Team and the Operator on February 16, it was decided to do some diamond drilling before terminating the project.

On the January 1954 voucher the Operator claims 4 feet of advance for 12 feet of sideswiping designated as 119 N.S. Swipe E. This item is actually peeling off the fringe ore in No. 2 stope and should be deleted.

Recommendations

One of the several reasons for the high labor cost at the mine is the large number of exploration headings where much time was spent in preparing these headings before actual exploration could begin. Another factor is extra handling of supplies which must be brought to the mine by tramline. It is recommended that a labor charge of $5.00 per foot be allowed for extra handling of supplies and that the maximum labor charge that the Government will participate in be set at $20.00 per foot as of December 1, 1953.

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
WSA/he

FILE COPY
SURNAME:

500

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

J.W. Alt
Kinsel
Wagner
Selfridge
Hedges

FEB 11 1954

Mr. A. F. Weissenborn
Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-525X (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Talisman Mine
Ferry County, Washington
Contract No. IDm-F197

Dear Mr. Weissenborn:

We are enclosing the original and five copies of Amendment No. 8, together with Annex I, to the above contract, signed by this office for the Government. An amendment was requested in your letter of January 25, 1954.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the amendment is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendations concerning any modifications.

Sincerely yours,

George C. Selfridge (WB)
Chairman, Operating Committee

Enclosures (

JWAlt/bjl (2/9/54)

APPROVED:

J. H. Hedges (WB)
Member, Bureau of Mines

D. M. Larrabee (WB)
Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

P.C.F. 2-11-54

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR

500

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

N.S. in R.R.

February 5, 1954

Memorandum

To: Chief Counsel

From: Base Metals Division

Subject: Amendment to allow the Operator an extension of time to complete the work of Contract No. Idm-F137, Docket No. DMA-525 (Copper Zinc), Spokane Mining Syndicate, Talisman Mine, Ferry County, Washington

Will you please prepare Amendment No. 8 to allow the Operator an extension of 9 months to complete the work of the contract. The date of the contract is September 7, 1951, and the work was to be completed in 12 months. Amendment No. 1 extended the completion time from 12 months to 22 months. Amendment No. 6 changed the completion time from 12 months to 27 months. Amendment No. 8 would allow the Operator 36 months from the date of the contract to complete the work of the contract, or to September 7, 1954.

Please refer to the letter of January 25, 1954, from A. E. Weissenborn, Executive Officer, Region II.

/s/
J. W. Alt

JWAlt/bjl (2/4/54)

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

January 25, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

The Operator has requested an extension of the subject contract until May 1954 to allow time to complete project work.

Amendment No. 6 to the contract extended the expiration date from September 7, 1952, until December 7, 1953, but work was not completed within that period. One of the causes for delay in completing the work may be attributed to a break in the aerial tramline which provides access to the property. The tramline broke on July 15, 1953, and a good portion of the remaining summer months was devoted to its repair. Exploration work at the property was not resumed until in December 1953.

We were recently informed that winter weather was inhibiting exploration work. The shutdown is not expected to last too long; however, if it continues for a month or more it could be difficult for the Operator to complete work by May 1954. We therefore request extension of the completion date for a period of nine months or until September 7, 1954. This should provide ample time to complete project work.

As the proposed amendment will extend the expiration date beyond the two-year limit, it is recommended that the amendment be drawn in Washington to be signed by the Administrator.

By DMEA Field Team, Region II

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

Thomas E Howard
Thomas E. Howard, Acting Member
(U. S. Bureau of Mines)

cc: USBM (2)
Puffett

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

1201 N. Division St.
Spokane 2, Washington
October 20, 1953

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

Re: Docket No. DMEA 525 (copper-zinc)
Talisman mine
Ferry County, Washington
Contract No. Idm-2137

Dear Mr. Born:

In your letters of September 21, 1953 you request amendments to the subject contract to allow $5.00 additional per foot for contract labor and another $1,800.00 for repair of the aerial tramway.

The $15/ft. allowed by Amendment No. 3 is somewhat higher than prevailing contract rates in this area and was allowed with the justification that the property is relatively inaccessible. It would be difficult to justify a new amendment to allow the additional $5/ft. for contract labor on the same basis as Amendment No. 3. It would seem possible, with the labor situation easing as it has in the past month, that you will be able to find competent miners who will be willing to contract the drifting, raising and crosscutting at the $15/ft. rate. However, we realize that the amount of drifting to be done is not very great and will probably not exceed 50 to 75 feet at the most and we are anxious to see this completed. If you can demonstrate that it is impossible to obtain competent miners at the $15.00 rate, we may consider a slight increase. It is possible that you may be able to find some miners in Northport who would undertake the contract at the $15.00 rate.

In regard to your request for an additional $1,800.00 for repair of the aerial tram, we realize the awkward situation in which you have been placed by the failure of the tram; however, to date, rehabilitation and repair costs on the tram, which the Government has shared, have amounted to $4,150.00 which is approximately 9½ percent of the total contract value of $44,000.00. With so little work remaining in the contract we have no justification for allowing an additional $1,800.00. At the time that we approved funds for repair of the tram, we had been given to understand that this would be the

entire expense. We realize that this was your understanding also, but the fact remains that had we known that there was to be another $1,800.00 charge for tramway repair it is probable that we would have decided that the contract should be terminated. As you know, the geology of the Talisman mine is complex and, without a doubt, some diamond drilling will be required to explore for the ore bodies. It is our opinion that to allow additional funds for repairing the tram line would not leave sufficient funds to complete the exploration contract. We regret, therefore, that we cannot approve your request for additional contract funds for repair of the tram line.

As stated above we would consider a request for a slightly higher amount for the contract labor for drifting, crosscutting and raising if it is impossible to contract this work for less money. We urge you, however, to make every effort to contract it at the $15.00 price as we think that under present conditions it may be possible to find a competent contractor at this figure.

By Field Team, Region II

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

M. E. Volin, Member
U. S. Bureau of Mines

cc: DMEA, Wash. (2)
USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 4 1953

July 31, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 7 to the subject contract, with attached justification. Also attached to each copy of the amendment is a copy of the Operator's letter requesting this change in his contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

Thor H. Kiilsgaard
Thor H. Kiilsgaard
Acting Member
DMEA Field Team, Region II

Attachments

cc: Finance Officer w/encl.
USBM (2)
Puffett

8-4

RECEIVED
AUG 10 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

mds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

July 30, 1953

W

Memorandum

To: DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey
Spokane

Subject: Report of assays, Docket No. DMEA-525X (copper-zinc), Talisman Mine, Ferry County, Washington, Contract No. Idm-E137.

Listed below are assay results of samples taken on a recent inspection; the locations of the samples are indicated on a map submitted with my inspection report of July 16, 1953.

Sample No.	Width	Silver	Copper	Zinc	WO_3
213	60"	3.4	10.56	1.4	
214	70"	0.6	1.62	9.1	
Composite of numbers 213 and 214					None

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Puffett

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 137 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

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

xxxxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

July 28, 1953

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

Re: Docket No. DMEA-515K (copper-zinc)
Tallaman Mine
Ferry County, Washington
Contract No. Idm-2137

Dear Mr. Born:

As a result of the encouraging results obtained by drifting from No. 2 stope at the Tallaman mine, permission is hereby granted for the current exploration project to be extended to Stage II, wherein 100 feet of crosscutting is specified. It is believed that this work will achieve the best results by continuing the drift on the presently exposed ore in drift 117 NW. The diamond drilling specified as part of Stage II will depend to some extent on the results of this drifting and may be deferred until at least part of the drifting has been done.

An amendment to permit repair of the aerial tramline is in preparation and will be sent to you for your signature in the near future.

By DMEA Field Team Region II

A. W. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. S. Volin, Member
(U. S. Bureau of Mines)

cc: DMEA (3)
USBM (2)
Finance Officer
Puffett

218

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

July 2, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 6 to the subject contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Attachment

cc: Finance Officer w/encl.
USBM (2)
Kirkemo

Coe
7-7

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

June 30, 1953

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

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

Dear Mr. Born:

Enclosed for your review are seven copies of Amendment No. 6 to the subject contract. If the terms of the amendment meet with your approval, please sign all copies, retain the "Operator's Copy" for your files and return the remaining six copies to this office.

You will note that this amendment increases the time period for repayment to the Government to twelve years from the ten years previously stipulated. This is done to balance the time extensions of the project.

Yours very truly

Herold Kirkemo
for: A. R. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
DMEA (2)
Kirkemo

FILE COPY
SURNAME: 500

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

JUN 26 1953

Mr. A. B. Meissenborn, Executive Officer
DMEA Field Team Region II
South 157 Howard Street
Spokane 8, Washington

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

Dear Mr. Meissenborn:

In accordance with your letter of June 12, 1953, we are enclosing the original and five copies, signed by the Government, of Amendment No. 6 to the subject contract. If you are in agreement, will you kindly present the amendment to the Operator for signature and distribute the copies in the usual manner.

You will note that this amendment increases the time period for repayment to the Government to twelve years from the ten years previously stipulated. This is done to balance the time extensions of the project.

J.H.
6-26-53

Sincerely yours,

George C. Selfridge
(GCS)
Chairman, Operating Committee

Enclosures - 6
APPROVED:

J. H. Hedges
Member, Bureau of Mines (GCS)

A. R. Kinkel, Jr.
Member, Geological Survey (GCS)

WRGriswold/hmj
(6/24/53)
CC to: Docket
Adm. R. File
Base Metals Div.
Op. Committee
Mr. Kinkel
Mr. Bishop
Chron.

FILE COPY
SURNAME 500

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

June 24, 1953

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Amendment No. 6, Docket No. DMA 525 (Copper-Zinc)
Spokane Mining Syndicate, Talisman Mine
Ferry County, Washington, Contract No. Idm-D137

This amendment is a simple matter of time extension. The repayment period to the Government has been increased to 12 years from the original contract date to compensate project time extensions.

W. R. Griswold

W. R. Griswold

Attachments

WRGriswold/hmj
(6/24/53)
CC to: Docket
Op. Committee
Base Metals Division
Chron.

FILE COPY
SURNAME:

500

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

June 19, 1953

J.W. Alt
Griswold

Memorandum

N.S. in R.v.R.

To: Chief Counsel

From: Chief, Base Metals Division

Subject: Amendment No. 6 to Docket No. DMA-5257, Contract No. ICm-F137, Spokane Mining Syndicate, Inc., Talisman Mine, Ferry County, Washington (Copper-Zinc)

Will you please prepare Amendment No. 6 allowing the Operator an extension of time to complete the work of the contract. This amendment would extend the completion date from July 7, 1953 to December 7, 1953.

The date of the contract is September 7, 1951, and was to expire in twelve months, or on September 7, 1952. Amendment No. 1 was made to extend the completion time from 12 to 22 months , or to July 7, 1953. Amendment No. 6 would change the completion time of Amendment No. 1 from 22 to 27 months and the completion date would be December 7, 1953.

W. R. Griswold

W. R. Griswold

JWAlt/bjl

Copy to: Docket
~~AdmxxRxxFile~~
~~Oxpx~~Committee
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

June 12, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

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

Dear Mr. Selfridge:

Enclosed for your consideration is proposed Amendment No. 6 to extend the completion date of the subject contract from July 7, 1953, to December 7, 1953, as requested in a letter received from the Operator, copies of which are attached.

The contract was signed September 7, 1951, and was to expire September 7, 1952, but was amended to extend until July 7, 1953. Preparatory work not included in the contract but essential before work on the contract could be started was carried on until December 4, 1951, when winter weather made further work impractical. Work was started on the contract on June 10, 1952, and has been continued with few interruptions to the present time. The company is hard pressed for finances and it has had difficulty in meeting current expenses, and, therefore, has had to proceed cautiously with work at the mine.

Operation of the mine and work on the DMEA contract is dependent on operation of the tramway. The tramway cannot be operated safely when there are strong winds or when fog or low clouds reduce visibility. Though work continued on the contract during the past winter cessation of operations was necessary for intervals of several days when weather was unusually severe.

The expected rate of progress on the contract was measurably reduced in January and February when a long hole drilling program was followed in accordance with recommendations of the Field Team to test ore possibilities in certain fault blocks before driving drifts, crosscuts, or raises.

Results of the exploration have not been too encouraging, but in the past month a drift has disclosed extension of the copper ore body north from No. 2 stope into hitherto untested ground. Preliminary plans for the proposed diamond drilling program allowed by the contract are being considered by the Operator.

In view of these circumstances, the Field Team requests that the contract be extended another five months. A little patience to permit completion of the contract may result in the discovery of an ore body at this property.

By DMEA Field Team, Region II

A. E. Weissenborn

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

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosure

cc: USBM (2)
Kirkemo

GOVERNMENT COPY

(Amendment to Change Starting and/or Completion Dates)

AMENDMENT NO. 6

It is agreed this 11th day of June 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 to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E137 dated September 7 1951 between the parties hereto be modified and amended to change the starting date from -- (No. of days) to within -- (No. of days) of the date of the contract and the completion period from 22 (No. of months) to 27 (No. of months) from the date of the contract. The effective date of this amendment shall be June 30, 1953.

~~This amendment is made by and through the Executive Officer, DMEA Field Team, Region II, under Order No. 268 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 _____

THE UNITED STATES OF AMERICA

By _____
~~Acting Executive Officer~~
~~Executive Officer~~
~~DMEA Field Team, Region II~~
C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
~~xxxxxxxxxxxxxxxxxxxx~~
So. 157 Howard Street
Spokane 4, Washington

Griswold
~~[illegible]~~
Betty

April 30, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 4 1953

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

Re: Proposed diamond drilling
Docket No. DMEA-525X (Copper-Zinc)
Talisman Mine
Ferry County, Washington
Contract Idm-K137

Dear Mr. Born:

Enclosed are two prints each of two maps showing proposed diamond drill holes 1, 2, and 3 at the Talisman mine. These holes are proposed to cut the possible extension of the mineralized zone southwest from No. 2 stope. The bearing, inclination, and length of holes drilled subsequent to Hole 1 will depend on geologic information obtained in the first hole. Holes 2 and 3 shown on the enclosed maps are tentatively located and may be relocated after Hole 1 has been drilled. The total amount of diamond drilling to be done cannot be stated for certain at this time but 500 feet of drilling is not unexpected.

Stage 1 of the contract provides for 600 feet of diamond drilling at $7.50 per foot -- total, $4,500. Amendment No. 5 provided for long hole drilling at $1 per foot; this cost to be deducted from the $4,500 originally provided for diamond drilling. The fund remaining for diamond drilling, therefore, is less than the original $4,500. Mobilization costs for diamond drilling are included in the $7.50 per foot cost estimated in Stage 1 of the contract.

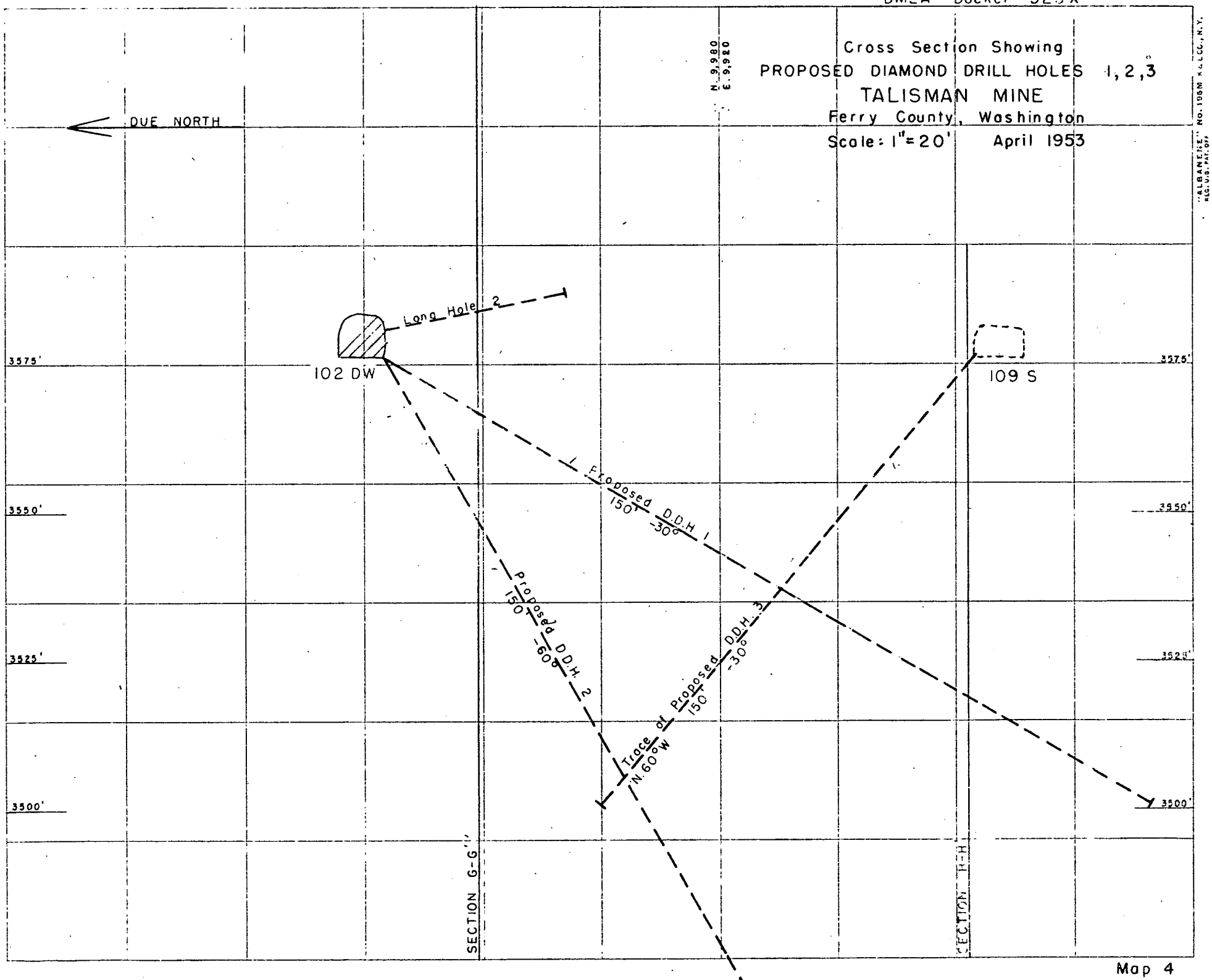
You are not obligated to make royalty payments on ore or concentrates shipped before a Certification of Discovery is made, but you should keep accurate records of such income since royalty will be expected from all shipments made during the life of the contract if certification is made.

Yours very truly

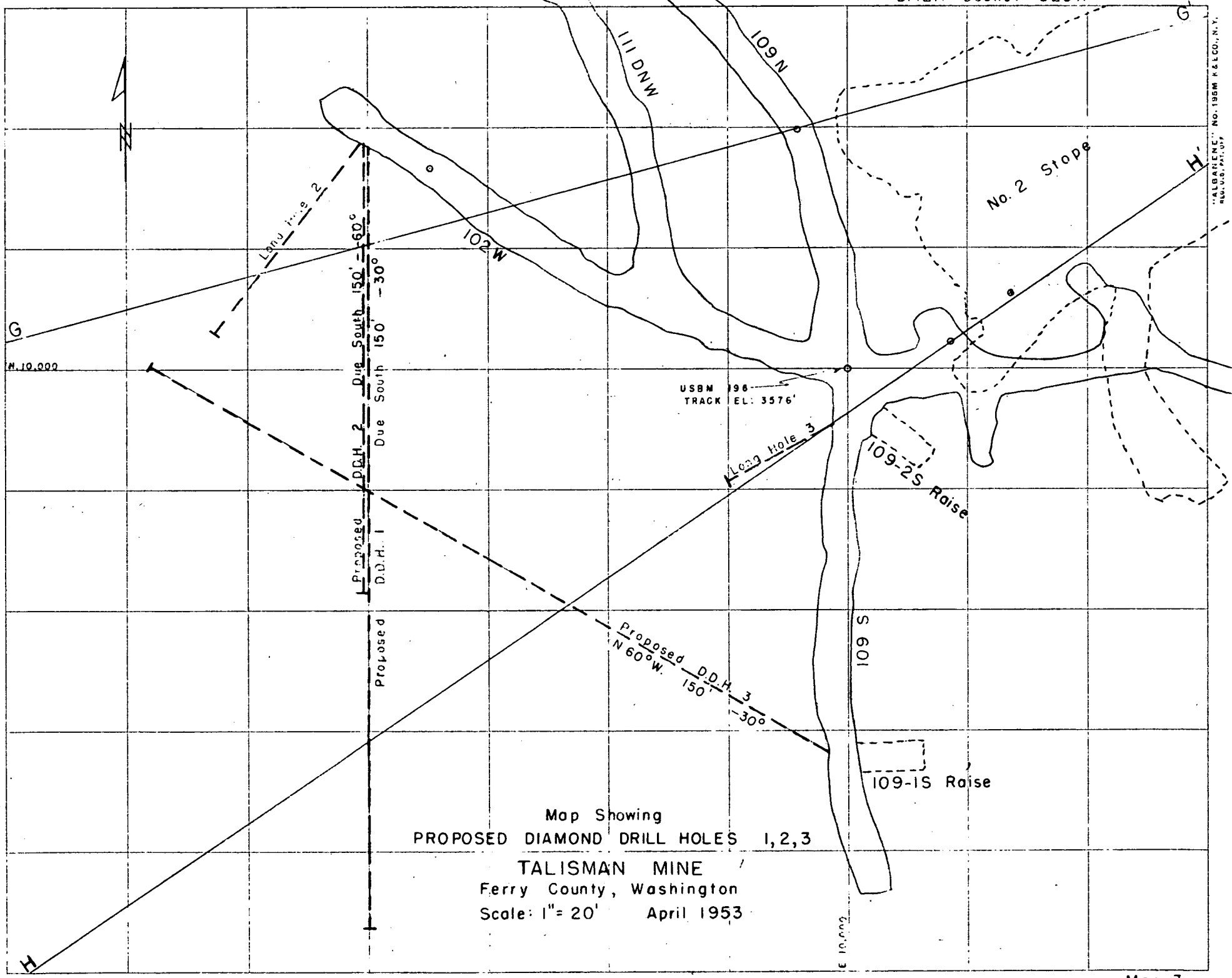
Harold Kirkemo
Geologist

Enclosures 2 (in dupl.)
cc: DMEA (2)
USBM (2)
Kirkemo

DMEA Docket 525 X



Map 4



Map Showing
PROPOSED DIAMOND DRILL HOLES 1, 2, 3
TALISMAN MINE
Ferry County, Washington
Scale: 1" = 20' April 1953

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

xxxxxxxxxxxxxxxxxx
No. 157 Howard Street
Spokane 4, Washington

February 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB 9 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Ferry County, Washington
Contract Idm-E137

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. ~~4~~ 5 to the captioned contract, with attached justification.

Copies of the amendment have been retained by the Operator, the Field Team, and by a carbon copy of this letter we are distributing the Finance Officer's copy.

Yours very truly,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Finance Officer w/encl.
USGM (2)
Kirkham

coe
2-24

RECEIVED
FEB 19 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DMEP

[illegible]
Defense Minerals Administration

[illegible]
[illegible] 157 Howard Street
[illegible] 4, Washington

[illegible] 1952

January 27, 1953

Mr. Henry T. [illegible], President
[illegible] Mining [illegible]ate, Inc.
7[illegible] [illegible]ton [illegible]
[illegible], Washington

Re: [illegible]-1254 (Copper-Inc)
Tillman Mine, Ferry Co., [illegible].
Contract [illegible]-[illegible]

Dear Mr. [illegible]

The [illegible] extended program of long hole drilling and raise advance was discussed to Mr. A. [illegible] Hall, contract [illegible] at the Tillman Mine, [illegible] telephone conversation on January 26, 1953.

1. [illegible] Long Hole No. [illegible] at [illegible] degrees, [illegible] 200 [illegible] from 10[illegible] [illegible] same location as Long Hole No. 3.

2. [illegible] Long Hole No. 10 at [illegible] degrees, [illegible] 60[illegible] [illegible] from the [illegible] of 10J-1[illegible] raise.

3. [illegible] advance of 10J-1[illegible] raise into and through the ore zone [illegible] Long Hole No. [illegible] onto ore.

4. [illegible] Long Hole No. 11 at [illegible] 40 degrees [illegible] 300 [illegible] from the north wall of the crosscut at Long Hole No. 7.

5. [illegible] on raise another round (two rounds already blasted) at Long Hole No. 7. [illegible] raise into and through the ore zone if ore is encountered in this third round.

6. [illegible] three long holes (Nos. 12, 13, and 14) from 111 [illegible] at a point where it is possible to set up the machine. (Suggested [illegible] at 30 feet north of 10J-1[illegible] Raise.) [illegible] drill the three holes approximately [illegible] 700 [illegible] at angles of [illegible] 60 degrees, [illegible] degrees, and [illegible] 40 degrees, respectively.

7. [illegible] Hole No. 15 from the east wall of 10[illegible] to assist blasting between the main crosscut and 10J-1[illegible] Raise. Drill hole at [illegible] degrees [illegible] 100 [illegible] which is parallel to the main crosscut.

[illegible] which are to be drilled at minus angles are inclined downward; the degrees are measured from a horizontal plane. It may not be possible to recover much sludge from these holes. It was suggested by Mr. Hall that an effort be made to start these holes on the wall a foot or so above track level so that sludge could be gathered in a bucket or box beneath the hole. If it is impossible to collar the holes in this manner, they will be started in the floor of the crosscut or drift and close observation of the drill cuttings must be maintained to detect any sulphides that may be cut in the hole. The hole should be thoroughly washed between each change of steel to remove the danger of contaminating the sludge.

[illegible] which are to be drilled at plus angles are inclined upward; the degrees are measured from a horizontal plane.

Mr. Hall reports he is unable to drill more than 20 to 25 feet with present equipment. Proposed Long Holes 9 through 15 will be drilled as far as practicable but total footage of the 15 holes proposed for the whole program should not exceed the amount stipulated in the Operator's subcontract with Mr. Hall for long hole drilling.

Very truly yours,

Harold Kirkemo
Geologist

cc: [illegible], Pallaran Mine, Laurier, Wn.
[illegible] A. Nicholson, Consulting Engineer, Seattle, Wn.
through Mr. Horn

U.S.B.M.(2)
DNEA(2)
Kirkemo
Docket

These additional proposed long holes were posted on a map previously given to Mr. Horn.

NOTE TO FIELD MAN: ~~(This paragraph not to appear on Orig. & 2 copies of the letter to Hall, Nicholson & addressees)~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

~~xxWASHINGTON 25, D.C.xx~~
So. 157 Howard Street
Spokane 4, Washington

January 19, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 23 1953

Mr. Don A. Gillis, Secretary
Spokane Mining Syndicate
730 Peyton Building
Spokane 8, Washington

Re: Contract Idm-1137

Dear Mr. Gillis:

Enclosed are two prints of "Plan Map No. 1 Adit Level, Talisman Mine, Ferry County, Washington, Showing Proposed Exploration Work."

I have indicated on this map the faces of the various crosscuts and of the 111 D N W as of January 15, 1953; also, indicated on the map are the long holes proposed for drilling at the property. A map showing these proposed holes was left with Mr. Hall at the mine.

Yours very truly,

Harold Kirkemo
Geologist

Enclosures (2)

cc:
[illegible] ~~(Orig. + 2)~~
[illegible] (2)

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

[redacted]

[illegible] 2, Washington
December 1[illegible], 1952

Mr. [illegible], President
[illegible] Mining Syndicate, Inc.
[illegible] Dayton Building
Spokane, Washington

Re: [illegible] exploration project, contract [illegible]
[illegible] Mine, Perry County, Tennessee
Project No. [illegible] (supplemental)

Dear Mr. [illegible]:

[illegible] the progress of work on the [illegible] contract we note that [illegible] of the 12 months allowed for the completion of the contract [illegible] elapsed 296 feet of [illegible] of drifting, crosscutting, and raising provided for in Stage 1 of the contract have been completed. In other words, Stage 1 is only about [illegible] percent completed. We are aware that because of inclement weather and other reasons [illegible] exploration [illegible] actively begin until the spring of this year and that between [illegible] and the middle of November the rate of advance has been about [illegible] per month.

We wish to point out however that if the remaining [illegible] feet are to be completed in the seven months remaining in the contract an average advance of [illegible] about [illegible] feet per month must be maintained. Furthermore, if your subcontractor Mr. Hall is to complete the work in the 290 days allowed in his subcontract an average advance of about [illegible] feet per month will be required.

We call this to your attention as we know that you want to complete the [illegible] work in the time allowed. We also wish to point out that although if necessary we can grant the contract [illegible] to allow 2 months more time we cannot extend the contract beyond a total of 18 months from the date of signing without approval of our Washington office. To obtain such an extension we would have to show some reason why it did not possible to complete the contract in the allotted time. We believe that with these facts in mind it will be possible for you to plan the work so that Stage 1 can be completed in the allotted time.

The contractor's monthly [illegible] operating report indicates that [illegible] raise and [illegible] raise are being driven on an incline. However the contract does not specifically provide and raises at angles that vertical raises would have to be [illegible] the base

result at a [illegible] cost. It would be appreciated if, in the future you would discuss with the Field Team the direction of proposed new headings before they are started. Also, we should like to be informed of any major changes in course of headings presently being driven.

By Field Team, Region II

A. E. Weissenborn, Area Officer
U. S. Geological Survey
So. 157 Howard Street

M. J. Volin, Manager
U. S. Bureau of Mines
1201 N. Division St.

AEW/TMI/OCR/[illegible]

cc: DMEA, Wash. (2)
USGS (2)
DMEA
AD
EAM
DF

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
DEC 16 1952

December 16, 1952

DEC 19 1952
DEFENSE MINERALS ADMINISTRATION

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-525 (Copper-Zinc)
Spokane Mining Syndicate, Inc.
Ferry County, Washington
Contract Idm-E137

Dear Mr. Johnson:

Attached are the original and two signed copies of Amendment No. 4 to the captioned contract, with attached justification.

Copies of the amendment have been retained by the Operator, the Field Team, and by a carbon copy of this letter, we are distributing the Finance Officer's copy.

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Finance Officer w/encl.
USBM (2)
Puffett

cae
12-19

5-25

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

[redacted]
So 157 Howard Street
Spokane 4, Washington

December 11, 1952

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

Re: Exploration Project Contract Idm-E137
Amendment No. 4

Gentlemen:

Enclosed herewith are several copies of Amendment No. 4 to your Exploration Project Contract, which has been signed by the Executive Officer, DMEA Field Team, Region II. If the terms and conditions of this amendment meet with your approval, please have an authorized official of your company sign all copies, retain that copy marked for the Operator and return the remaining copies to this office.

Sincerely yours,

Thor H. Kullsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: DMEA (2)
USBM (2)
Kirkemo

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 19 1952

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

So. 157 Howard Street
Spokane 4, Washington

November 12, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-525X (Lead-Zinc)
Spokane Mining Syndicate, Inc.
Ferry County, Washington
Contract Idm-E137

Dear Mr. Johnson:

Enclosed are the original and two signed copies of Amendment No. 2 to the subject contract, with attached justification.

One copy of the amendment has been sent to the Operator, a copy is being retained for the files of this office, and by a carbon copy of this letter the Regional Finance Officer's copy is being distributed.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
Reg. Finance Officer w/encl.
Puffett

cc
11-17

RECEIVED
NOV 19 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

November 12, 1952

Mr. Don Gillis, Secretary
Spokane Mining Syndicate, Inc.
730 Peyton Building
Spokane 8, Washington

525

Re: Contract Idm-E137

Dear Mr. Gillis:

Enclosed is your copy of Amendment No. 2 to your Exploration Project Contract.

Sincerely,

A. E. Weissenborn
Executive Officer DMEA
Field Team, Region II

Enclosure

cc: DMEA (2)
USBM (2)
Puffett

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 14 1952

November 10, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-525X (Lead-Zinc)
Spokane Mining Syndicate, Inc.
Ferry County, Washington
Contract Idm-E137

Dear Mr. Johnson:

Enclosed are the original and two copies of Amendment No. 3 to the subject contract, with attached justification.

One copy of the amendment has been retained by the Operator, one copy is being retained for the files of this office, and by a carbon copy of this letter, the Regional Finance Officer's copy is being distributed.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM (2)
Reg. Finance Officer w/encl.
Puffett

cae
11-17

RECEIVED
NOV 19 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

525

October 27, 1952

Memorandum

To: Grace Ault, Rare and Misc. Metals Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Amendment to Contract

I understand that the following case was approved for copper rather than zinc. Would you please advise me what action your Division has taken with respect to:

DMEA	Idm-E	Amend. No.	Dated	Operator	Rec'd in Wash.
525	137	#1	9/17/52	Spokane Mining Syndicate, Inc.	9/29/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

September 22, 1952

Memorandum

To: Chairman, DMEA Operating Committee

From: DMEA Field Team, Region II

Subject: Docket DMEA-525X (Copper-Zinc)
Talisman Mine
Ferry County, Washington
Contract Idm-E137

Transmitted herewith are the original and two signed copies of Amendment No. 1 to the above captioned contract. Inasmuch as the operator did not pursue the exploration project during the winter months and then this spring further delays resulted from a reorganizational arrangement to obtain financing, progress on the project has not been as rapid as originally anticipated.

The operator has requested the enclosed amendment to allow them time in which to complete the proposed exploration. Work to date has disclosed some evidences of either a new ore body or an extension of the known ore body. Consequently, it is believed the extension of time to allow work to be completed will accrue to the benefit of both the operator and the government in that it will allow this new ore showing to be more completely delineated.

By copy of this letter, the Finance Officer's copy is being distributed.

By DMEA Field Team, Region II

A. E. Weissenborn

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

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosure

cc w/encl. to:
USBM (2)
Finance Officer, Albany

FILE COPY
SURNAME:
500

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

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

AUG 14 1952

Re: Docket No. DMA-525X (Copper-Zinc)
Contract No. Idm-E137
Talisman Mining and Leasing Company
Ferry County, Washington

Dear Mr. Weissenborn:

Enclosed are three marked copies of the following documents pertaining to the subject contract.

Assignment of Exploration Project Contract No. Idm-E137, Docket No. DMA-525X to Spokane Mining Syndicate, Inc., by The Talisman Mining and Leasing Company, dated May 1, 1952.

Assignment dated May 15, 1952, by Henry T. Born, to the Spokane Mining Syndicate, Inc., of an Operation and Management Agreement between the Talisman Mining and Leasing Company and Frank Eichelberger and Ernest E. Eddy, which agreement was assigned to Henry T. Born.

Assignment dated April 29, 1952, of Operating and Management Agreement by Frank Eichelberger and Ernest E. Eddy to Henry T. Born.

Kindly distribute the copies as marked.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
HFKeller/mb
August 11, 1952
cc to: Operating Committee
Adm. Reading File
Docket
Mr. Keller (2)
Mr. Ellis
Mr. Bishop
Mr. McKnight
Region II
Chron

Enclosures
APPROVED:

C. N. Johnson
Member, Bureau of Mines

S. M. Lemmon
Member, Geological Survey

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

So. 157 Howard Street
Spokane 4, Washington

August 1, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Subject: Docket DMA-525X
Talisman Mining and
Leasing Company
Ferry County, Washington
Contract Idm-E137
(Copper-Zinc)

Dear Mr. Johnson:

Enclosed are the original and two copies (Government, Docket, and Division) of a "Consent to Assignment" to the Spokane Mining Syndicate, Inc. from the subject company. In accordance with your letter of July 10, the name of the state (Washington) in which the Spokane Mining Syndicate is incorporated, has been inserted in the salutation.

Sincerely yours,

S. Warren Hobbs

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM, Spokane (2) w/encl
USBM, Albany (1) "

DEPARTMENT OF THE INTERIOR
Boise Library
Idaho
AUG 4 1952

SD

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

So. 157 Howard Street
Spokane 4, Washington

July 18, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Talisman Mining and Leasing Company, Ferry Co., Washington. Contract Idm-E137, Docket DMA-525X

Dear Mr. Johnson:

Attached is the original and two copies of an approval between the Spokane Mining Syndicate, Incorporated and Alfred Bertrum Hall and Jack Howard Murbach of Colville, Washington dated July 10, 1952.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure
As above (in trip.)

cc: USBM (2) w/encl. in dup.

DEPARTMENT OF THE INTERIOR
Bureau Library
JUL 24 1952

Docket 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

gds
7-30-52

D.W.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	137 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

SEAL

Don A. Gillis
Secretary

INDEPENDENT CONTRACTORS

WITNESS:

Alfred Bertrum Hall
Alfred Bertrum Hall

Jack Howard Murbach
Jack Howard Murbach

FILE COPY
SURNAME:

check one
Hofflund
Keller

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

JUL 10 1952

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

Subject: Talisman Mining and
Leasing Company
DMA-525X (Idm-E137)

Dear Mr. Weissenborn:

Reference is made to your letters dated June 9 and June 10, 1952, to me and the enclosures therein mentioned, concerning the assignment of the subject contract to Spokane Mining Syndicate, Inc.

Attached are the original and six copies of the Government's Consent to Assignment subject to the insertion in the salutation of the name of the State in which the Spokane Mining Syndicate, Inc., is incorporated. Kindly return the original and four copies thereof to this office, give the second copy to the Operator and retain a copy for your files.

Very truly yours,

7-10-52

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
AEKane/em/ema - 7/2/52
Copy to: Mails and Files
Adm. Reading File
Operating Comm.
J. H. Hedges
T. P. Thayer
J. L. Hofflund
A. E. Kane
H. F. Keller
Chron.
Pending

Enclosures

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

FILE COPY
SURNAME:

500

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

June 24, 1952

Memorandum

To: Mr. J. L. Hofflund

From: H. F. Keller, Base Metals Division

Subject: Docket No. DMA 525X, Contract Idm-H137, Talisman Mining and Leasing Company, Assignment of the Contract.

We are attaching to this memorandum the following correspondence and documents:

1. Docket No. 525 (Please return to Mails and Files).
2. Assignment of Contract (Letter from Mr. Weissenborn dated June 9, 1952).
3. Assignment of Contract (Letter from Mr. Weissenborn dated June 10, 1952).

As the applicant, the Talisman Mining and Leasing Company is desirous of assigning Contract No. Idm-H137, that they have with the Government covering an exploration project, to the Spokane Mining Syndicate, Inc., we are sending you the above mentioned documents to be reviewed in this connection.

Kindly review the evidence provided in the above documents as to their sufficiency in covering all the legal requirements of such an assignment, and write us a memorandum, that will enable us to obtain the signature of the Acting Administrator to the assignment, attached to the afore mentioned letter of June 10th, if all legal requirements have been fulfilled.

H. F. Keller (mef)
H. F. Keller

HFKeller/mef/mb
cc to: Adm. R, File
Op. Comm.
Docket ✓
Mr. Keller
Chron.

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

June 10, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Subject: Assignment of Contract, Talisman Mining and Leasing Company, Contract Idm-E137, Docket DMA-525X

Dear Mr. Johnson:

Enclosed is a copy of the Operating and Management Agreement by which the Spokane Mining Syndicate holds interest in the subject property. This agreement is being forwarded to your office as indicated in my letter of June 9, 1952, which contained a request of approval for assignment of Contract Idm-E137 to the Spokane Mining Syndicate, Inc.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM

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

So. 157 Howard Street
Spokane 4, Washington

June 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 13 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Assignment of Contract
Idm-E137, DMA-525
Talisman Mining & Leasing Co.

Dear Mr. Johnson:

Enclosed is an Assignment of Contract Idm-E137 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

Elton A. Youngberg
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: USBM

FILE COPY
SURNAME:

410

F L Knouse
Mittendorf

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

SEP 25 1951

G.E.C -

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket No. DMA - 525X
Talisman Mining and Leasing Company
Exploration Project Contract Idm-E137

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the Operator named in the above reference and the Government of the United States.

Sincerely yours, cc 9-25

C. O. Mittendorf (FLK)

C. O. Mittendorf, Director
Production Expansion Division

Enclosure

FLKnouse/meb
cc to: Admr's Reading Files
Reports & Records
Messrs.Mittendorf/Olund
Knouse
Docket

Mr. Graves

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

September 19, 1951

WMa-5257 OFFICIAL FILE COPY

To	Init.	Date
400	A.E.C.	9-24
210		

Mr. C. O. Mittendorf
Production Expansion Division
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

I am returning herewith the original and three signed copies of the Talisman Mining and Leasing Company contract. One copy has been given to the operator and one is being retained here.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

DEFENSE MINERAL ADMINISTRATION WASHINGTON, D.C.
SEP 24 8 53 AM '51

FILE COPY
SURNAME:

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

SEP 14 1951

Mr. A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA 525X
Talisman Mining and Leasing Company
Exploration Contract Id.-E137

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above referenced exploration contract, signed by me, together with Exhibit "A" (3 pages) and "Landlord's Subordination Agreement", and two maps.

If the terms and conditions of this contract are approved by the Operator, all six copies should be signed by a duly authorized official of the company, one copy should be given to the Operator, one copy retained by your office and the original and three copies returned to this office. If any part of this contract does not have the approval of the Operator, the original and all copies of the contract are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures

9/10/51
FLKnouse/meb
cc to: Admr's Reading File
Reports & Records
Messrs.Mittendorf/Olund
Billings
Gowen
Mote
McKnight
C.H.Johnson
Knouse
Docket

APPROVED:

Chairman, Coordinating Committee

Member, Geological Survey

Member, Bureau of Mines

FILE COPY
SURNAME:

Billings
McKnight
[illegible]
[illegible]
Schroeder

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

[illegible]-525
[illegible]
[illegible] Group
Ferry County, Washington

Talisman Mineral & Leasing Co Inc

SEP 7 1951

Hon. [illegible] Magnuson
United States Senate
Washington 25, D. C.

My dear Senator Magnuson:

[illegible] letter of [illegible] [illegible] Talisman [illegible] exploration loan for this property. Mr. [illegible]'s letter is returned herewith.

In reviewing the application it was found necessary to clear up certain matters through our General Counsel. On advice of General Counsel a letter has been prepared and is being sent to the applicant [illegible] certain [illegible] form. Everything possible is being done to expedite final action.

If [illegible] be of any further assistance to you at any time, please do not [illegible] to call on me.

Sincerely yours,

[illegible] C. SCHROEDER

Acting Administrator JF 9/10

Enclosure

[illegible]
9/6/51

cc: Administrator
DMA Docket File
[illegible]
McKnight
Billings
Hofflund - Rm 4627

COPY COPY

TALISMAN MINING & LEASING COMPANY, INC.
730 Peyton Building
Spokane 8, Washington
August 23, 1951

Honorable Warren G. Magnuson
United States Senator
Senate Building
Washington, D. C.

My Dear Senator:

In reply to your telegram of July 31, we wish to advise that the Defense Minerals Administration has been sent copies of our Lease Agreement, Landlord's Subordination Agreement, and a Diamond Drill Contract. Of course this is in connection with our D.M.A. 525X Loan.

Thank you so much for your telegram, and the reason for our tardiness in answering was that we wanted to get all these matters attended to, as your telegram suggested.

Thanking you again, I remain,

Very respectfully yours,

/s/ HENRY T. BORN

President

HTBorn:hm:lm

United States Senate

August 25, 1951

Respectfully referred to
Administrator
Defense Minerals Administration
Department of Interior

---

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Magnuson

WARREN G. MAGNUSON, U. S. S.

EPARTMENT OF THE INTERIOR
efense Minerals Administration
RECEIVED
AUG 28 1951

AUG 29 1951

AUG 28 2 58 PM '51

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

140

FILE COPY
SURNAME:

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

September 4, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Talisman Mining & Leasing Company, DMA-525 Exploration Contract

I am unable to approve the contract in the captioned case for the following reasons:

1. The signature for the Company is made by one Harry I. Born without any indication of his official capacity. The signature for the Company should be by the President or Vice-President of the Company, and his title should be indicated under his signature.

2. Paragraph 2(a) of the contract form, with the matter typed in the blanks, must be stricken out, in conformance with instruction 4 of the contract form.

3. Under the heading "Stage II" strike out the preamble "Is contingent upon the success of Stage I" and substitute: "Stage II--To be undertaken only upon written approval by the Government after a determination by the Government that in its opinion the performance of Stage II is justified by the results of the performance of Stage I"; and strike from Item 2 under Stage I the words "... provided the main structure previously tested warrants it."

4. Proper dating of the contract prior to delivery to the contractor.

In addition to the foregoing, for administrative rather than legal consideration, I feel bound to comment upon what seems to me the inordinate monthly rental to be allowed for the contractor's equipment. The estimated value of the equipment to be furnished by the contractor

amounts to $10,100. The allowance for rental is $328 per month or at the rate of $4,936 per year. At this rate the rental allowance would pay for the equipment in a little more than two years. The principal items of equipment are two compressors valued at $7,500. It is my opinion that the rental allowance to the Operator on this equipment should not be more than about one-third of the amount proposed to be allowed. Of course, the amount of this rental allowance is not a legal matter and the contract would not be disapproved in this office on account of what our notions of a proper rental allowance might be.

J. L. Hofflund

J. L. Hofflund
General Counsel

not stripped in R. + R.

Attachment

JLHofflund/em

Copy to: Administrator's Reading File
J. L. Hofflund
R. R. Guthrie
Reports and Records

FILE COPY
SURNAME:

Blakemore
Mittendorf

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

Memorandum

To: General Counsel, Defense Minerals Administration

From: C. O. Mittendorf, Director, Production Expansion Division

Subject: Request Legal Opinion - Docket DMA 525x - Copper Zinc, Talisman Mining & Leasing Co., 730 Peyton Bldg., Spokane, Washington.

A. E. C.

Attached hereto -

Copy of Teletype Message
Copy of reply to above
Original copy - Exploration Contract
Original letter from Spokane Office - August 22, 1951
Six Subordination Agreements signed by Landlord
One Photostat copy of Mining Lease
One Photostat copy of Lease extension

Attachments

PBBlakemore/mjs

C. O. Mittendorf (J. N.)

8/27/51

Send copies to: General Counsel
Reports & Records
Mr. Mittendorf
Mr. Blakemore
Docket

A. E. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 27 1951

August 22, 1951

Through: Landon F. Strobel

Mr. C. O. Mittendorf, Director
Production and Expansion Division
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Re: Talisman mine
Ferry County, Wash.
DMA Docket 525X

Dear Mr. Mittendorf:

Enclosed are six copies of the Landlord's Subordination Agreement effecting the Talisman Mining and Leasing Company. Also enclosed is a photostatic copy of the mining lease with option to purchase on the property and a renewal of the lease dated June 1947. In addition please find copy of a letter from R. S. McClintock, diamond drill contractor, in which is quoted proposed costs for a diamond drilling program on the Talisman property.

If further information on the Talisman mine is requiredbefore a contract can be effected, please advise.

Very truly yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: L. F. Strobel

COPY

R. S. MCCLINTOCK
DIAMOND DRILL CONTRACTING

W. 416-418 Second Ave.
Spokane 8, Washington

August 13, 1951

Mr. Henry T. Born
Talisman Mining and Leasing Company
730 Peyton Building
Spokane, Washington

Dear Mr. Born:

With reference to our recent conversation relative to a proposed diamond drill program on your property located near Laurier, Washington.

We understand that you propose to drill a minimum of 1600 ft AX size hole, taking 1-1/8" core, from underground locations, holes to vary in depth from a minimum of 100 ft to 500 ft per hole.

It is expected that you will provide adequate air and water at a point adjacent to the drill stations and provide drill stations of sufficient size to handle drill rods in 10 ft lengths, also that you will arrange to transport the drill equipment and supplies to the mine and return from the nearest access road.

We further understand that a camp will be available to the drill crews and that boarding facilities, if necessary, will be supplied.

Based on the above, we quote as follows:

0' to 500' per hole	$5.00 per ft.

In the event loose and caving material or water courses are encountered that will tend to make drilling impractical without the use of casing or cement, an additional charge of $3.50 per foot will be made for reaming and landing the casing or placing cement and redrilling the cemented section of the hole.

Our employees will be covered by Workman's Compensation to comply with the State Act and the job will be covered by Public Liability in the amounts of $100,000 and $3000,000 and Property Damage in the amount of $100,000.

Yours very truly,

R. S. McClintock

RSM/is

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON

Defense Minerals Administration
5370

S. Power Warren
4070

Salaries & Expenses, Defense Production Activities, Dept. of Int. 1952
July 11, 1951
10:15 AM

Warren
Cox

A. E. Weissenborn, Executive Officer, Region II

Dockets 525X and 129X - Teletype Message

Re Docket 525X, Talisman Mining & Leasing Company. When can we expect subordination agreement? What use is the tramway during exploration work? Why rehabilitate? When can we expect copy of lease? If diamond drilling is to be done by contract it cannot be approved until contract has been passed by Government. If diamond drilling is to be done by applicant where is equipment listing and labor allocations?

Re Docket 129X, Bennett Mining Company. Have applicant describe the kind of raise he expects to put up that costs $39.50 per foot and the kind of winse that costs only $64.00 per foot.

C. O. Mittendorf, Director
Production Expansion Division

2071

SPWarren/bih

cc to: Messrs. Mittendorf-Olund
Reports & Records
SPWarren
F I L E S

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

545

Rec 464

VA SP /I-GS-G/

SPOKANE 7-11-51 1030A

MR. C. O. MITTENDORF
DIRECTOR PRODUCTION AND EXPANSION DIVISION
DEFENSE MINERALS ADMINISTRATION
DEPARTMENT OF INTERIOR WA

RE DOCKET 525X TALISMAN MINING AND LEASING COMPANY..
APPLICANT WILL FURNISH SUBORDINATION AGREEMENT AND COPY OF LEASE WITHIN 10 DAYS. REHABILITATION OF TRAMWAY NECESSARY TO TRANSPORT SUPPLIES. DIAMOND DRILLING TO BE DONE BY CONTRACT BETWEEN OPERATOR AND DRILLER AT MAXIMUM ALLOWABLE COST OF 7.50 PER FOOT.

RE DOCKET 129X BENNETT MINING COMPANY..
APPLICANTS BEING CONTACTED REGARDING COST.
ELTON A YOUNGBERG FOR..

A. E. WEISSENBORN DMA. SP.

525X 129/
VA 1031A

Okeyed

Called Mr Collier in Sen Magnuson office on July 31, and asked for
① Copy of lease ② Copy of Drilling Cost
③ Subordination agreement
④ Bond's title is President.

JUL 11
GENERAL SERVICES ADM.
PUBLIC BLDGS. SERV.
SHD - COMMUNICATIONS

Brokaw for McKnight / Stevens 6/5/51 Moto

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 525X

To: Director Production Expansion Division

Commodity Lead-zinc-copper

From: Director, Supply Division

Total Amount $44,000

Govt. Participation $22,000

1. Name and Address of Applicant Talisman Mining and Leasing Company

730 Peyton Building, Spokane, Washington

2. Location of Property Talisman Mine, Ferry County, Washington

3. Mineral or metal Zinc-lead-copper Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good X

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? No

Does the lease have sufficient time to run to cover a future productive period? Not stated

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes

a) MF-201? _____

b) MF-202 Copies will be submitted by applicant when available

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies _____
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes- direct power

Is a field check needed on any of these points? Already made

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes, see field team report

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes
see field team report attached

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A,

from the available data? Yes If so, attach a draft.
see attached exhibits with contract

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? Not applicable

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft. see exhibit "C" attached to contract.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No prevailing rates for area

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? Yes

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? Yes

c) Reasonable? Yes

d) Field check needed? No - already determined by field team

15. In your judgment, can the proposed work be done in the proposed time? Yes - see time schedule under "exploration" attached to contract

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
Lead-Zinc Branch concurs with the field team recommendation

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Reviewed by: A. L. Brokaw GS

Date 7-3-51

INT.-DUP. SEC., WASH., D.C. 99009

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

June 27, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch, DMA

From: Field Team, Region II

Subject: DMA Docket No. 525X, Talisman mine, Ferry County, Washington

Through: Landon F. Strobel

Enclosed are four copies of a DMA Examination Team report on the Talisman mine, Ferry County, Washington. Also included are six signed copies of an exploration project contract. Signed copies of the Landlord's Subordination Agreement will be forwarded to Washington as soon as they are available.

The contract in question has been worked out in detail with the applicant and differs considerably from the original application. In its present state it is believed to be more practicable both to the operator and the property.

The Field Team believes that this mine has merit particularly in view of the fact that some of the ore assays quite high in tungsten. The base metal grade is marginal; however, if the exploration program should prove any amount of ore, it is believed that the tungsten might greatly assist the mine in paying its own way.

By Field Team, Region II

A. E. Weissenborn

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

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: L. F. Strobel
U.S.B.M. Spokane
U.S.B.M. Albany

Note - A report on the property will be forwarded tomorrow

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

Docket DMA 525-X Talisman Mine

Ferry County, Washington

Carl H. Broedel and James J. Quinlan
U. S. Geological Survey

June 27, 1951

Talisman Mine
Ferry County, Washington
Docket DMA 525-X

The Talisman mine was examined by the field team on June 5-7. The ore is primarily a complex lead-zinc-copper ore, but inspection of the property by mineral lamp suggests that sufficient quantities of scheelite are present to be of interest. The examination was brief because the following data on the property by the U. S. Bureau of Mines was available:-- An unpublished report by John Tabor and a plan and section of the mine by E. A. Magill, both of the U. S. Bureau of Mines were available. A plane table map of the surface in the vicinity of the principal workings was made and the mine was examined to determine the feasibility of an exploration program. A brief investigation was made of the two shafts on Talisman No. 2 and Talisman No. 3 claims about 1,500 feet southwest of the Talisman mine.

Location and History

The Talisman mine is located one mile south of the international boundary and three-quarters of a mile southwest of Laurier in sec. 4, T. 40 N., R. 36 E., Willamette meridian.

The property, consisting of eight unpatented claims was purchased by the Talisman Mining and Leasing Co. of Spokane under bond and lease and is to be paid for out of 10 percent of net smelter returns. 1,100 tons of copper ore averaging 5 percent copper and 2 ounces silver is reported to have been produced by The Laurier Copper Mining Co. from the No. 1 stope of the No. 1 adit during World War I. The areal tramway was built in 1915.

Two adits were driven, a lower to intersect the ore structure in depth, and an upper to find the ore when the former adit failed to intersect the vein structure. The upper adit was driven about 170 feet and the ore was found to lie above this level.

The Talisman Mining and Leasing Co. installed a 75-ton mill in 1945-1946 and extended No. 1 adit 175 feet. Ore was mined from No. 2 stope and no lateral development work was done beyond the limits of the two stopes.

Ore was produced from 1948 to 1949 and zinc, copper, lead, and silver were recovered at the mill. The property has been inactive since 1949.

Geology

The country rocks in the vicinity of the Talisman mine are strongly-foliated granite gneiss and amphibolite or hornblende gneiss cut by leucocratic, finer-grained, granite dikes composed largely of orthoclase, quartz, and biotite. The gneisses are considered by Howland Bancroft to have resulted from the dynamometamorphism of granite and diorite. The strike of the rocks at the surface is northwesterly and their dip toward the southwest.

A number of concordant, apparently lenticular, replacement bodies or vein structures occur in the gneisses and closely associated with the granite dikes. The vein structures contain considerable epidote and quartz and locally magnetite and sulfides. The vein structures appear to be confined largely to the prevailing granite gneiss. The most continuous occurrence of sulfides is in the orebody of No. 1 adit. A series of steeply-dipping, northwesterly-trending normal faults intersect the orebody in the main underground workings of No. 1 adit. Offsets of over 10 feet are rare. The attitude of the ore structure is believed to be primarily due to the gently-folded, flat-lying gneiss country rocks. Normal faulting has accentuated this attitude.

The main ore structure consists of a lower portion averaging 2 feet in thickness with stringers and pods carrying magnetite, pyrite, and chalcopyrite and an upper portion averaging 5 feet in thickness with stringers and disseminations of sphalerite and galena. Scheelite is sporadic in occurrence and is present throughout the ore structure generally closely associated with concentrations of the sulfides. The grain size varies from fine to medium and an inspection of ore specimens under the mineral lamp suggests that the higher grade ore may contain slightly over 1 percent WO_3. Assays from samples taken at the mine are as follows:

No.	Width	Gold	Silver	Lead	Copper	Zinc	WO_3
1		Trace	0.4	None	0.20	13.1	0.09
2		0.010	2.6	None	9.50	1.3	2.32
3	2.8'	Trace	0.6	None	1.25	0.3	None
4	5.0'	Trace	0.9	None	2.10	3.9	0.01

Nos. 1 and 2 are high-grade grab samples and Nos. 3 and 4 are channel samples. See plan map. Mill heads, according to the Talisman Mining and Leasing Co., averaged 6.3 percent zinc, 2.0 percent copper, 0.5-1.0 percent lead, 2.0 ounces silver and 8 pounds of cadmium per ton of concentrates.

About 75 feet southwest of the main orebody outcrop at the shaft are three prospect pits which may be one continuous structure. The easternmost prospect is the most promising as far as ore mineral content is concerned.

The shaft on Talisman No. 2 claim is 30 feet deep and lies in an epidote-bearing zone. The ore on the dump is largely magnetite with a little chalcopyrite. The shaft and discovery pit on Talisman No. 3 claim also occurs in an epidote-bearing zone. The ore on the dump carries sphalerite and galena and a little disseminated chalcopyrite. The country rock is granite gneiss occupying a gently-folded flat-lying terrane. The ore from this area carries a little scheelite.

Mine Development

The mine has been developed by an upper adit as shown in the accompanying plan and section. The known orebody has been mined from two connected stopes which have a strike width of from 40 to 110 feet. The orebody has been mined from the surface at the shaft almost to the end of the upper adit, a distance of about 200 feet down the dip. The average stoping width of ore was about 8 feet, but this is exceeded in a number of places. A rough estimate is that about 4,500 tons of ground was removed from the stopes. The orebody appears to be largely continuous along the periphery of the stopes; however, the orebody pinches or is faulted out locally.

Ore exposures at the end of the upper adit are limited and no conclusive opinion can be formed concerning the grade and thickness of the orebody at this point. No exploration has been done beyond the limits of the stopes.

Ore Possibilities

Since the known orebody has been incompletely explored, there is no certainty that the limits of the ore have been reached. From observation of surface prospects, which indicate that the vein structures pinch and swell along the strike, the possibility exists

that the known orebody may widen toward the northwest, southeast and southwest of the stoped area with intermediate portions in which the thickness of the ore diminishes. It is also possible that other ore structures may occur in parallel quartz-epidote-bearing vein structures in the vicinity of the main orebody. The size of the stoped area indicates that these possibilities justify some additional investigation and the occurrence of scheelite in what appears to be significant amounts is an added inducement.

Analysis of Applicant's Proposal

The applicant proposes to drift on the structure from the end of the upper adit in a northwesterly and southeasterly direction and to drive a crosscut toward the southeast below the ore structure from a point midway between the portal and the end of this adit. He also proposes to extend the lower adit to intersect the main orebody down the dip. Considerable diamond drilling from the surface is also proposed.

We are in agreement with the applicant's proposal for exploration from the upper adit level. Extending the lower adit is not recommended until more information is obtained concerning the southwestward extension of the main orebody. Since this orebody has a low, overall dip, it seemsunlikely that the lower adit would intersect it. Furthermore, until exploration from the upper adit has demonstrated that a longer strike length of the orebody exists, exploration in depth does not seem warranted. In addition, some changes are desirable in the applicant's proposed diamond drilling.

Recommendations

The following exploration program is recommended (see accompanying plan and section).

Stage I

1- A total of 400 feet of drifting in opposite directions from point B at the end of the upper adit along the strike of the vein structure.
2-If results are favorable, drive two 50-foot raises on ore in drifts from point B in the upper adit, one raise in each drift.
3-Crosscut 100 feet from point C toward the southeast in the upper adit.

4-Test the overlying vein structure in the crosscut of step 3 by 50 feet of raising.
5-Drift an additional 100 feet on vein structure in either drift of step 1 provided the structure is favorable.
6-Crosscut 75 feet from point B in the upper adit toward the southwest to cut a diamond drill station and possibly intersect the main ore structure.
7-A total of 600 feet of diamond drilling from point D to test the overlying vein structure and the main ore body extension.

Stage II

If the exploration in Stage I shows favorable results, the following steps are recommended.

1-Extend crosscut from point C in the upper adit an additional 100 feet toward the southeast and explore the vein structure above provided step 4 of Stage I warrants it.
2-A total of 1,000 feet of diamond drilling from the end of the lower adit upward and toward point D to test the possible downward extension of the main ore structure.

FILE COPY
SURNAME:

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

June 18, 1951

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

Subject: DMA-525X
Re: Exploration Loan
Snow Bank Group (four claims) and Talisman Group (six claims)

My dear Mr. Born:

Receipt is acknowledged of your application and attachments of May 14, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-525X and was referred to Mr. Otto Herres, Chief, Lead-Zinc Branch on May 24, 1951.

In any future correspondence relating to your application, kindly refer to DMA-525X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:jx
cc: Strobel-2
>Files
Herres
Lyon

FILE COPY
SURNAME:

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

Herres
McKnight
Stuart 5/29

May 25, 1951

DMA-525
Talisman Mining & Leasing Co.
Spokane, Washington

Honorable Warren G. Magnuson
United States Senate
Washington 25, D. C.

Henry T. Bowen

My dear Senator Magnuson:

The application of Talisman Mining and Leasing Company, Spokane, Washington, for Government assistance under the mineral exploration program of DMA was received by the Lead-Zinc Branch on May 2[illegible], 1951.

Advice from the field team of Region II indicates that the ore body on the property is worthy of exploration, but some study of the proposed exploration program submitted by the company is required. An examination of the property will be made in the near future and a report submitted to our Washington office as soon as this has been completed.

In case I can be of further assistance to you at any time, please do not hesitate to call on me.

Sincerely yours,

JAMES BOYD

Administrator

CHERRES:ks

W

cc: Administrator
Strobel
Note
McKnight
Herres
Files

EDWIN C. JOHNSON, COLO., CHAIRMAN
ERNEST W. MC FARLAND, ARIZ.
WARREN G. MAGNUSON, WASH.
BRIEN MC MAHON, CONN.
HERBERT R. O'CONOR, MD.
LYNDON B. JOHNSON, TEX.
LESTER C. HUNT, WYO.
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OWEN BREWSTER, MAINE
HOMER E. CAPEHART, IND.
JOHN W. BRICKER, OHIO
JOHN J. WILLIAMS, DEL.
JAMES P. KEM, MO.
EDWARD S. JARRETT, CLERK

~~LANDON F. STROBEL~~
Harris

United States Senate

COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE

May 19, 1951

DMA-525

The Honorable James Boyd
Administrator
Defense Minerals Administration
Washington 25, D. C.

Dear Dr. Boyd:

It is my understand that Henry T. Born, Talisman Mining and Leasing Company, Inc. 730 Peyton Building, Spokane 8, Washington, has applied for federal assistance on a 50-50 matching basis under the Defense Minerals Act for exploration and development of zinc and copper deposits. They filed application MF 100, also application MF 103.

I would much appreciate your kind consideration of this application and hope that the matter can be successfully concluded.

Sincerely,

Warren G. Magnuson

WARREN G. MAGNUSON, U.S.S.

m.c

MAY 22 1951

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

MAY 22 10 09 AM '51

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 22 1951
LANDON K. SPROUL
Executive Secretary

525

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington

May 16, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are three copies of Form MF-103 and MF-100 submitted by the Talisman Mining and Leasing Company for an exploration project in the Talisman mine, Ferry County, Washington. The Talisman Mining and Leasing Company has previously submitted an application for a production loan which has been assigned docket DMA-525. We have advised the applicant that because of the undeveloped state of the ore body, we felt that it was unlikely that their application would receive favorable consideration until the ore reserves were better established. As a result of these discussions, this new application for an exploration grant has been submitted.

Previous work on this property by the Bureau of Mines indicates that the ore body is worth more exploration, but to analyze their proposed exploration program will require some further investigation. For this reason we are holding out one copy of MF-100 and MF-103 in order to permit us to make an examination in the near future. A report will be submitted as soon as this has been completed.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S. Bur. Mines
Spokane, Wash.

MAY 24 1951

5

DEPARTMENT
Defense

MAY 21 1951
LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

Lyons (EM)
McKnight
Herres
Moon

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

APR 12 1951

Mr. Henry T. Born, President
Talisman Mining & Leasing Company
730 Peyton Building
Spokane, Washington

In reply please
refer to DMA-525

Dear Mr. Born:

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc, lead and copper deposits it will be necessary to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

If you wish to participate in this exploration program under the conditions set forth, please let us know. Any modification of your original proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake. A field examination may or may not be necessary.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Enclosures
ABCampbell:emp
G 4/10/51
Copies to: A. E. Weissenborn, Region II
Chief, Lead-Zinc Br.
E. T.McKnight 4204 GSA
L. B.Moon
R. H. Mote
L. F. Strobel
C. G.Mittendorf
Files

~~LANDON F. STROBEL~~

Talisman Mining & Leasing Company, Inc.

MAdison 4774
730 Peyton Building
Spokane 8, Washington

Mine at
LAURIER, WASH.

March 17, 1951

Re: Docket-DMA 525

Mr. Tom Lyon, Director
Supply Division
U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Lyon:

I have your letter of March 9, and contents carefully noted.

It is believed that our exploration and development program will cost approximately $50,000.00.

Will you please advise us of the necessary procedure in order to qualify for federal aid on a matching basis. Naturally we are anxious to get our program under way as soon as possible.

Awaiting your reply, I remain,

Respectfully yours,

Henry T. Born
President

HTBorn:bm

Answered
april 12, 1951
O. H.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 3 1951
LANDON F. STROBEL
Executive Secretary

For Mr. Johnson

DMA-525

APR 9 1951

BUREAU OF MINES
WASHINGTON, D. C.

APR 2 1 09 PM '51

1. Mr. Herres
2. JMA

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 8, Washington

March 12, 1951

JMA 525

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed are two maps of the Talisman mine, Ferry County, Washington. These maps are to accompany the application for a DMA loan, which was submitted by the Talisman Mining & Leasing Company, 730 Peyton Building, Spokane, Washington, and which was forwarded from this office January 26, 1951.

Would you please forward these maps to the proper commodity committee and have them filed with the above mentioned application.

Very truly yours,

Thor Kiilsgaard

Thor Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

cc: J. K. Richardson

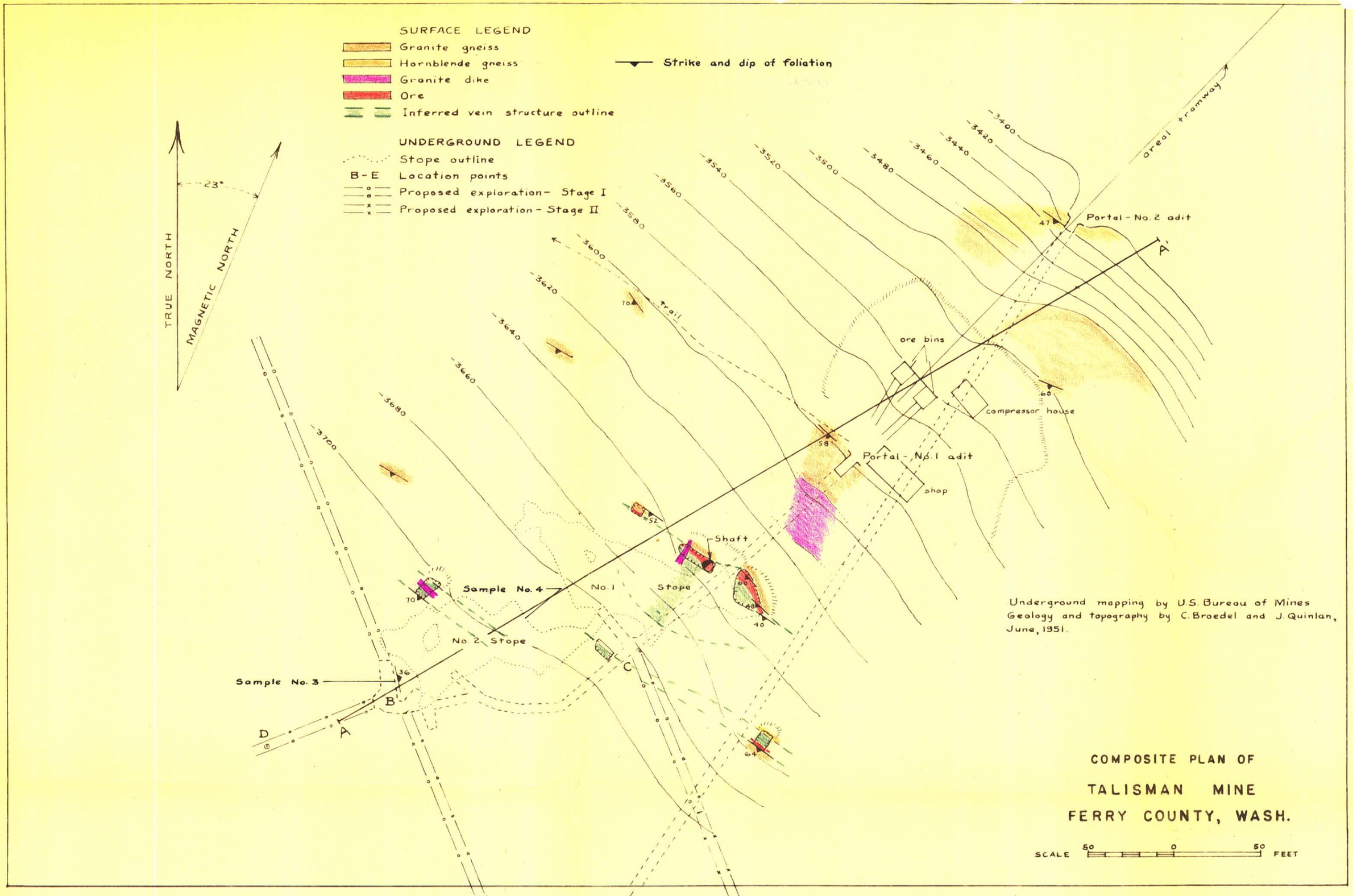
DMA-525

MAR 19 1951

856

BUREAU OF MINES
WASHINGTON, D. C.

MAR 16 7 34 PM '51



Underground mapping by U.S. Bureau of Mines
Geology and topography by C. Broedel and J. Quinlan,
June, 1951.

COMPOSITE PLAN OF

TALISMAN MINE

FERRY COUNTY, WASH.

SCALE 50 0 50 FEET

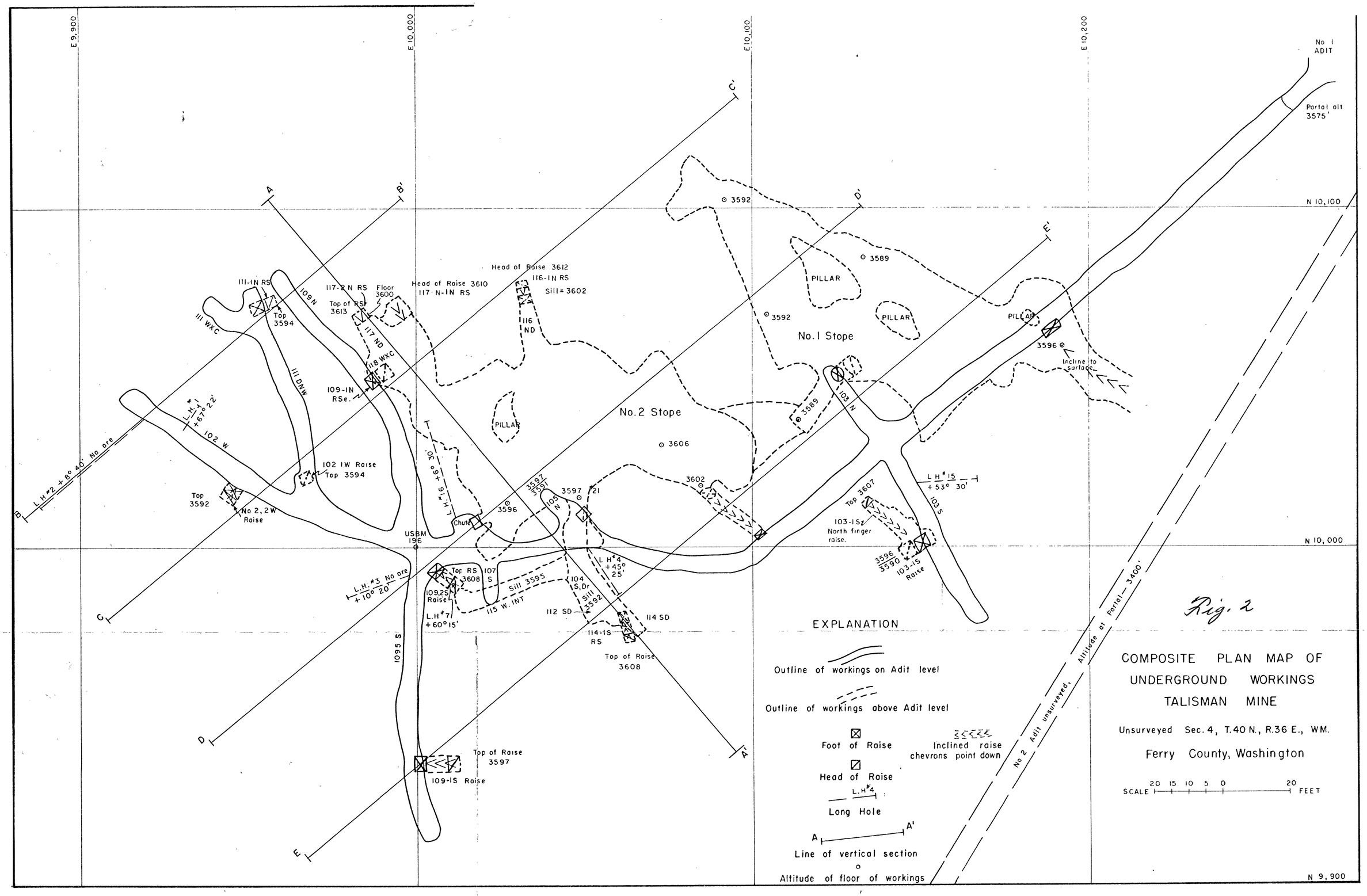


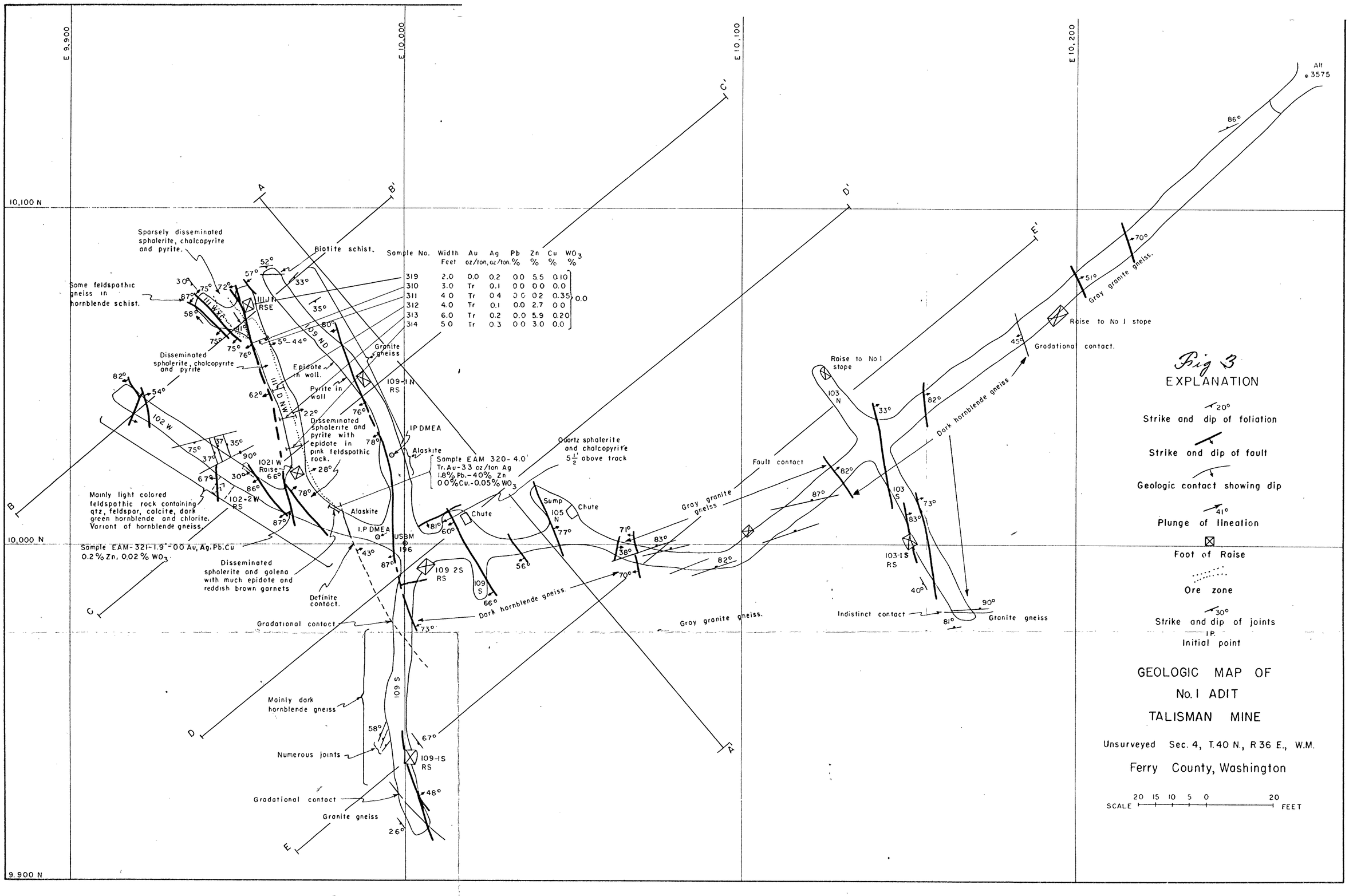
Fig. 2

COMPOSITE PLAN MAP OF UNDERGROUND WORKINGS TALISMAN MINE

Unsurveyed Sec. 4, T. 40 N., R. 36 E., WM.

Ferry County, Washington

SCALE 20 15 10 5 0 20 FEET


E 9,900
E 10,000
E 10,100
E 10,200
10,100 N
10,000 N
9,900 N
Alt 3575
Sample No. Width Feet Au oz/ton Ag oz/ton Pb % Zn % Cu % WO3 %
319 2.0 0.0 0.2 0.0 5.5 0.10
310 3.0 Tr 0.1 0.0 0.0 0.0
311 4.0 Tr 0.4 0.0 0.2 0.35
312 4.0 Tr 0.1 0.0 2.7 0.0
313 6.0 Tr 0.2 0.0 5.9 0.20
314 5.0 Tr 0.3 0.0 3.0 0.0
0.0
Sparsely disseminated sphalerite, chalcopyrite and pyrite.
Biotite schist.
Some feldspathic gneiss in hornblende schist.
Disseminated sphalerite, chalcopyrite and pyrite
Epidote in wall.
Pyrite in wall
Granite gneiss
Disseminated sphalerite and pyrite with epidote in pink feldspathic rock.
Alaskite
Sample EAM 320-4.0' Tr. Au-.33 oz/ton Ag 1.8% Pb.-.40% Zn 0.0% Cu.-0.05% WO3
Quartz sphalerite and chalcopyrite 5½' above track
Mainly light colored feldspathic rock containing qtz, feldspar, calcite, dark green hornblende and chlorite. Variant of hornblende gneiss.
Sample EAM-321-1.9'-0.0 Au, Ag, Pb, Cu 0.2% Zn, 0.02% WO3
Disseminated sphalerite and galena with much epidote and reddish brown garnets
Definite contact.
Gradational contact
Dark hornblende gneiss.
Gray granite gneiss.
Fault contact
Raise to No I stope
Gradational contact.
Gray granite gneiss.
Indistinct contact
Granite gneiss
Mainly dark hornblende gneiss
Numerous joints
Gradational contact
Granite gneiss
Chute
Sump
I.P DMEA
USBM 196
109-1N RSE
109-1N RS
109 2S RS
109-1S RS
102 W
102-2W RS
1021 W Raise
103 N
103 S
105 N
109 S
A
B
B'
C
C'
D
D'
E
E'
Fig 3
EXPLANATION
Strike and dip of foliation
Strike and dip of fault
Geologic contact showing dip
Plunge of lineation
Foot of Raise
Ore zone
Strike and dip of joints
I.P. Initial point
GEOLOGIC MAP OF
No. I ADIT
TALISMAN MINE
Unsurveyed Sec. 4, T.40 N., R 36 E., W.M.
Ferry County, Washington
SCALE 20 15 10 5 0 20 FEET

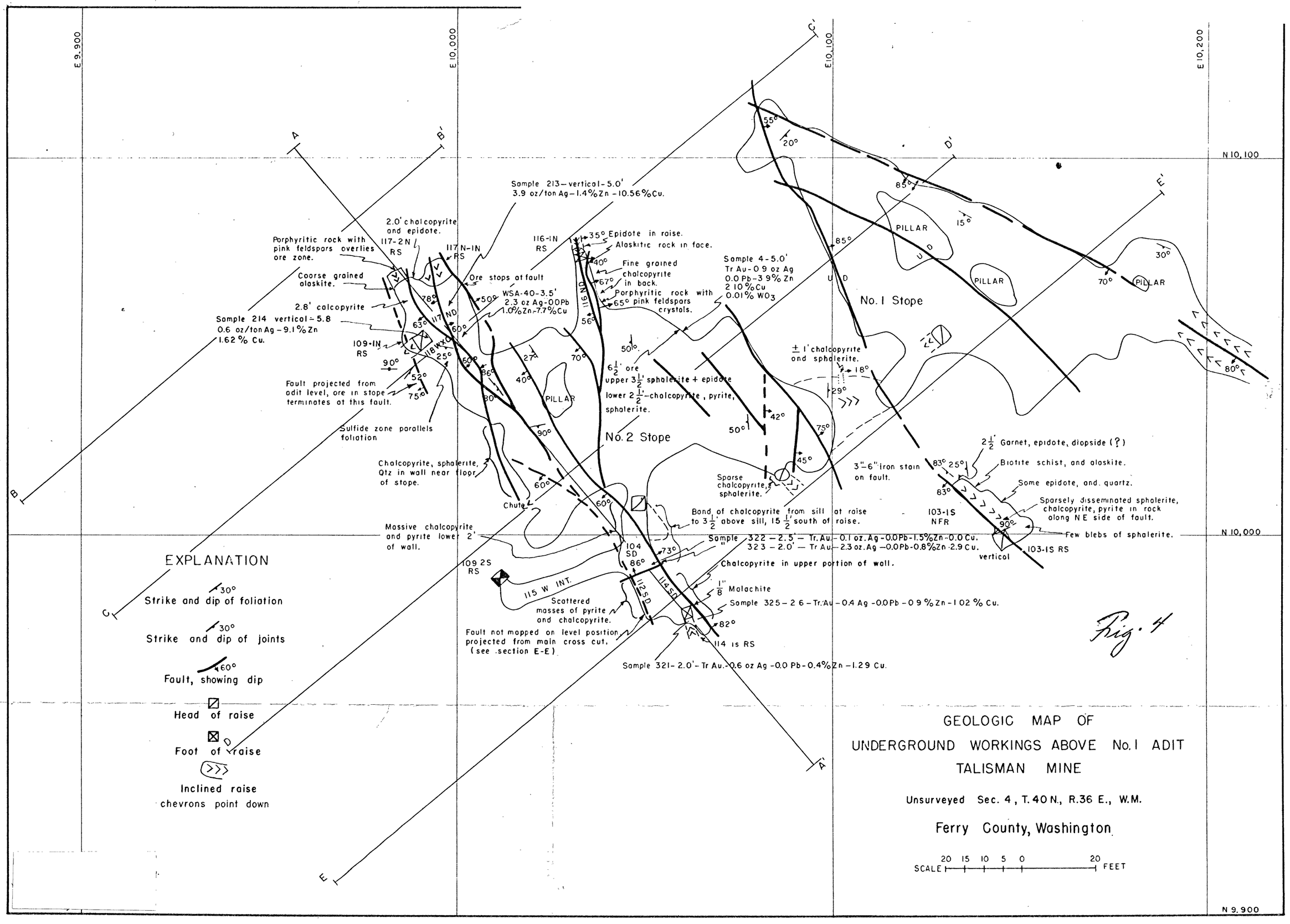
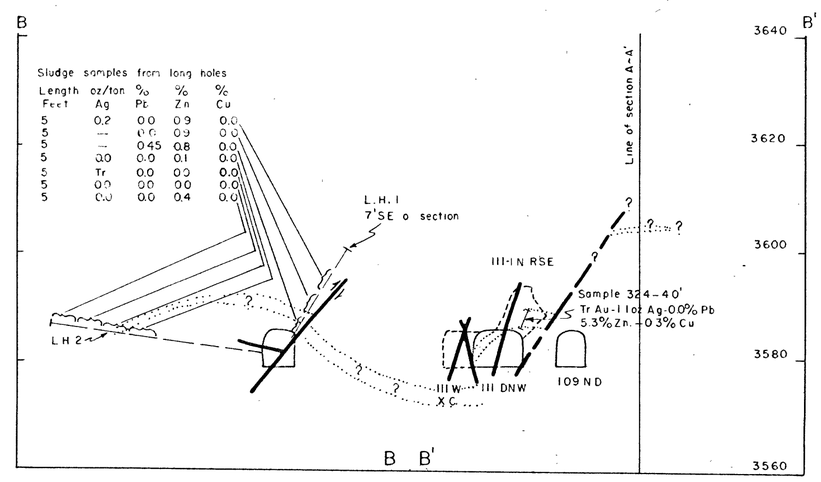
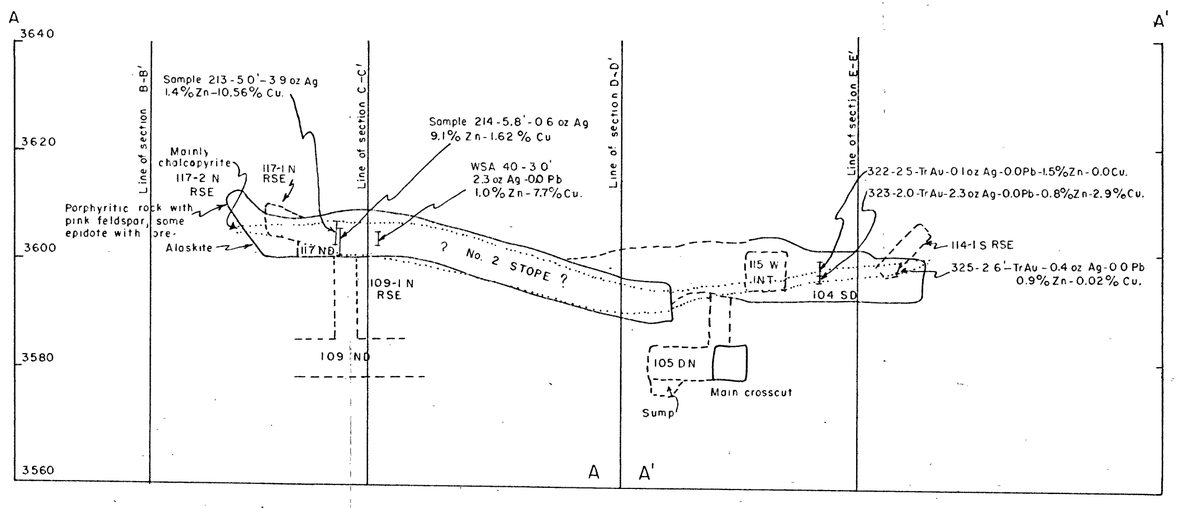
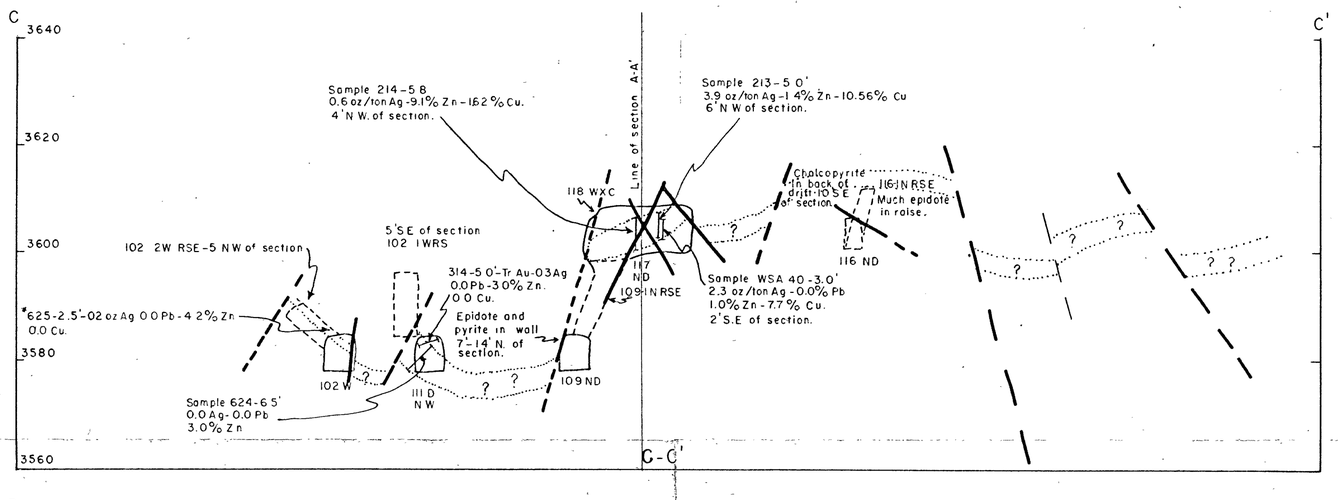
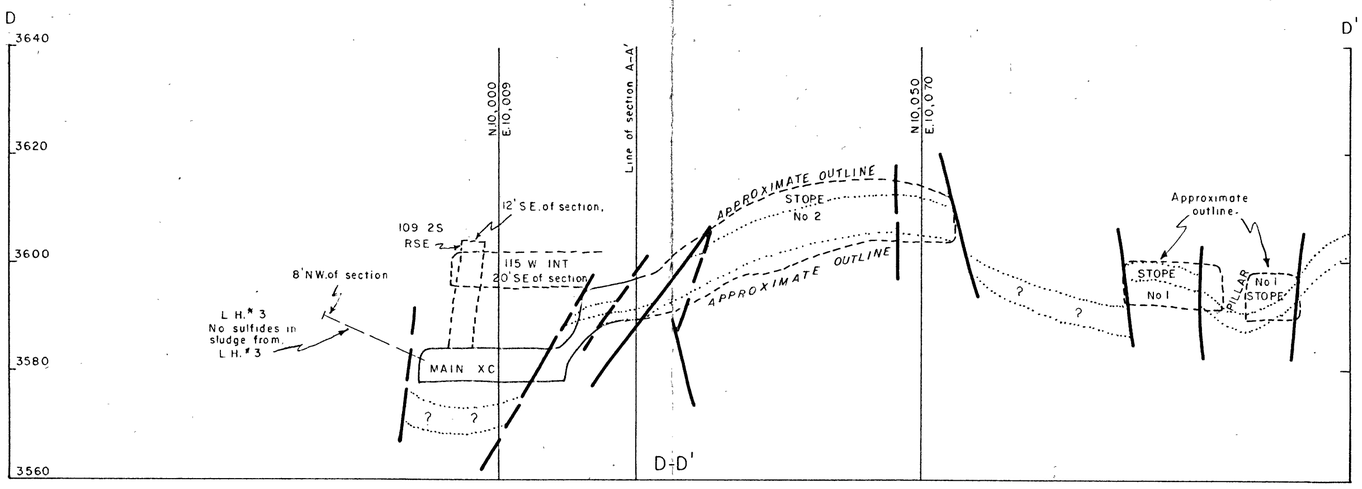

E 9,900
E 10,000
E 10,100
E 10,200
N 10,100
N 10,000
N 9,900
A
A'
B
B'
C
C'
D
D'
E
E'
Sample 213—vertical-5.0'
3.9 oz/ton Ag—1.4%Zn—10.56%Cu.
2.0' chalcopyrite and epidote.
Porphyritic rock with pink feldspars overlies ore zone.
117-2N RS
117 N-IN RS
116-IN RS
35° Epidote in raise.
Alaskitic rock in face.
Coarse grained alaskite.
Ore stops at fault
Fine grained chalcopyrite in back.
WSA-40-3.5'
2.3 oz Ag-0.0Pb
1.0%Zn-7.7%Cu
Porphyritic rock with 65° pink feldspars crystals.
Sample 4-5.0'
Tr Au-0.9 oz Ag
0.0 Pb-3.9% Zn
2.10%Cu
0.01% WO3
2.8' calcopyrite
Sample 214 vertical-5.8
0.6 oz/ton Ag—9.1% Zn
1.62% Cu.
109-IN RS
117 ND
116 SD
No. 1 Stope
PILLAR
± 1' chalcopyrite and sphalerite.
Fault projected from adit level, ore in stope terminates at this fault.
6½' ore
upper 3½' sphalerite + epidote
lower 2½'-chalcopyrite, pyrite, sphalerite.
No. 2 Stope
Sulfide zone parallels foliation
2½' Garnet, epidote, diopside (?)
Biotite schist, and alaskite.
Chalcopyrite, sphalerite, Qtz in wall near floor of stope.
3"-6" iron stain on fault.
Sparse chalcopyrite, sphalerite.
Some epidote, and quartz.
Sparsely disseminated sphalerite, chalcopyrite, pyrite in rock along NE side of fault.
Chute
Band of chalcopyrite from sill at raise to 3½' above sill, 15½' south of raise.
103-1S NFR
Massive chalcopyrite and pyrite lower 2' of wall.
Sample 322—2.5'—Tr. Au.-0.1 oz. Ag-0.0Pb-1.5%Zn-0.0 Cu.
" 323—2.0'—Tr Au.-2.3 oz. Ag-0.0Pb-0.8%Zn-2.9 Cu.
Few blebs of sphalerite.
103-1S RS
vertical
109 2S RS
Chalcopyrite in upper portion of wall.
115 W INT.
⅛" Malachite
Scattered masses of pyrite and chalcopyrite.
Sample 325—2.6—Tr. Au—0.4 Ag—0.0 Pb—0.9% Zn—1.02% Cu.
Fault not mapped on level position projected from main cross cut. (see section E-E)
114 is RS
Sample 321-2.0'-Tr Au.-0.6 oz Ag-0.0 Pb-0.4% Zn-1.29 Cu.
EXPLANATION
Strike and dip of foliation
Strike and dip of joints
Fault, showing dip
Head of raise
Foot of raise
Inclined raise
chevrons point down
GEOLOGIC MAP OF
UNDERGROUND WORKINGS ABOVE No. 1 ADIT
TALISMAN MINE
Unsurveyed Sec. 4, T. 40 N., R. 36 E., W.M.
Ferry County, Washington
SCALE 20 15 10 5 0 20 FEET

Fig. 4









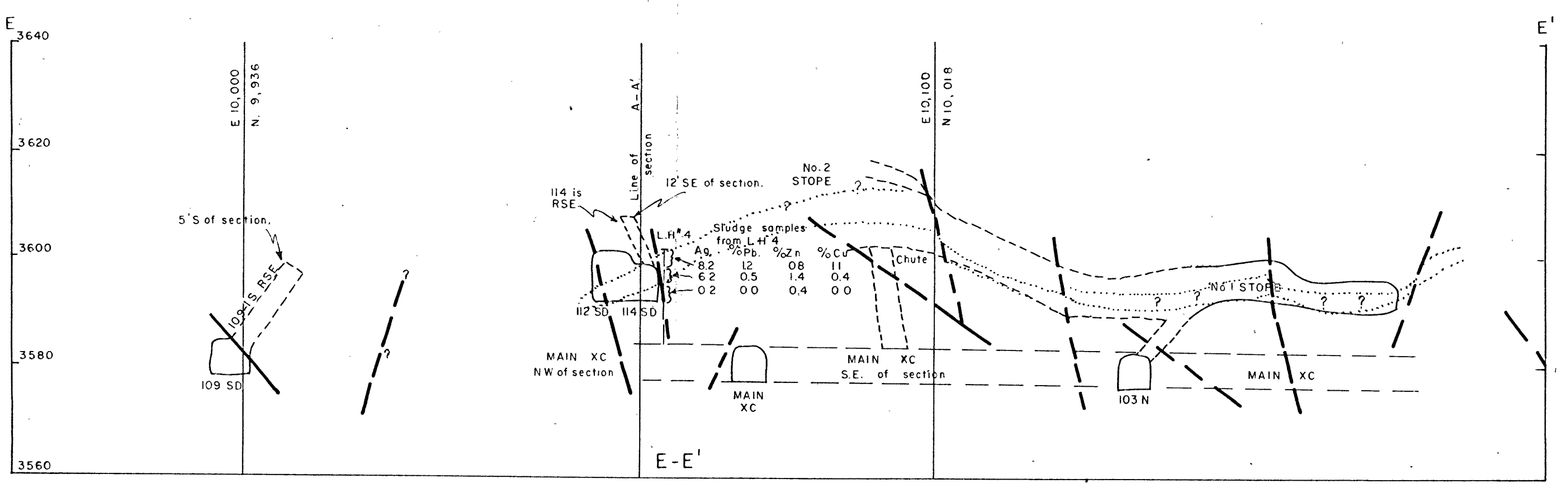


Fig. 5

Fig 5

EXPLANATION

Ore zone

Fault

L.H 4

Long hole

Raise

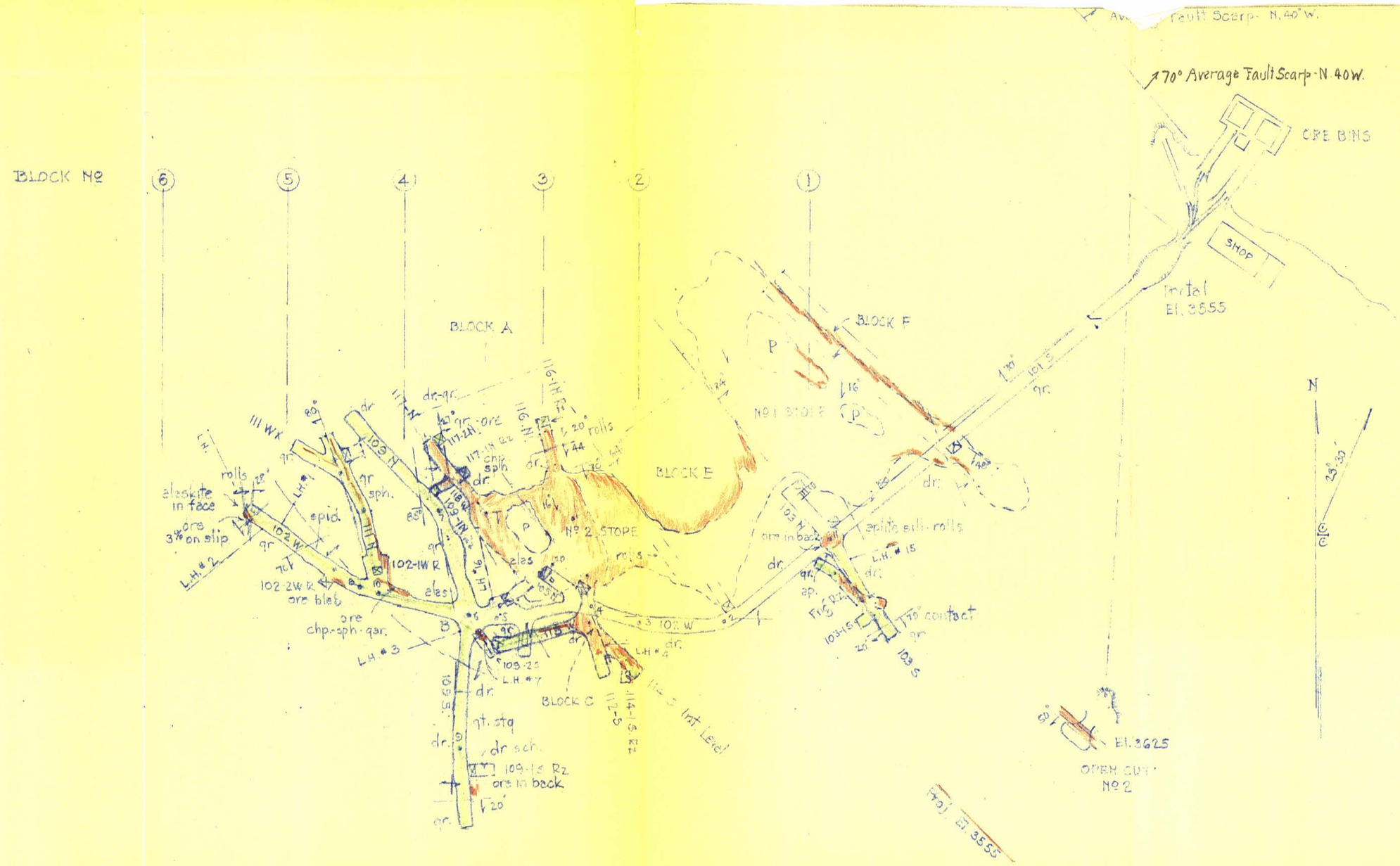
Note: Foliation in rocks generally parallels ore zone.

VERTICAL SECTIONS
SHOWING MINERALIZED ZONE
TALISMAN MINE

Unsurveyed Sec. 4, T.40 N., R.36 E., W.M.

Ferry County, Washington

SCALE 20 15 10 5 0 20 FEET



Ore
Advance

PLAN OF
TUNNEL Nº 1
TALISMAN PROPERTY
FERRY COUNTY - WASHINGTON

Scale - 1" = 40'
Date - July 9, 1952
To Date - SEP 1 1954

By: W.A. Richelsen
Drg. Nº T-1