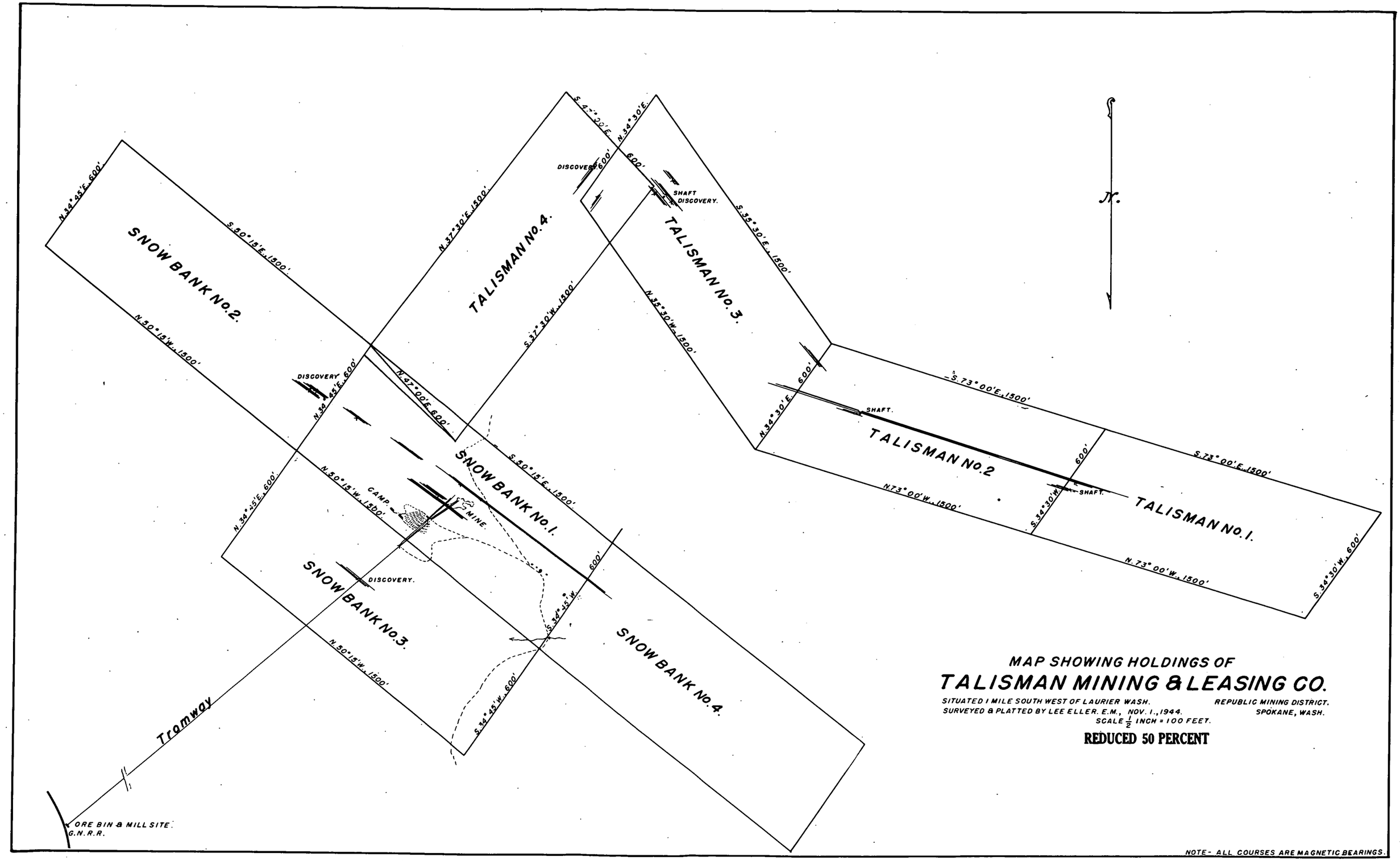
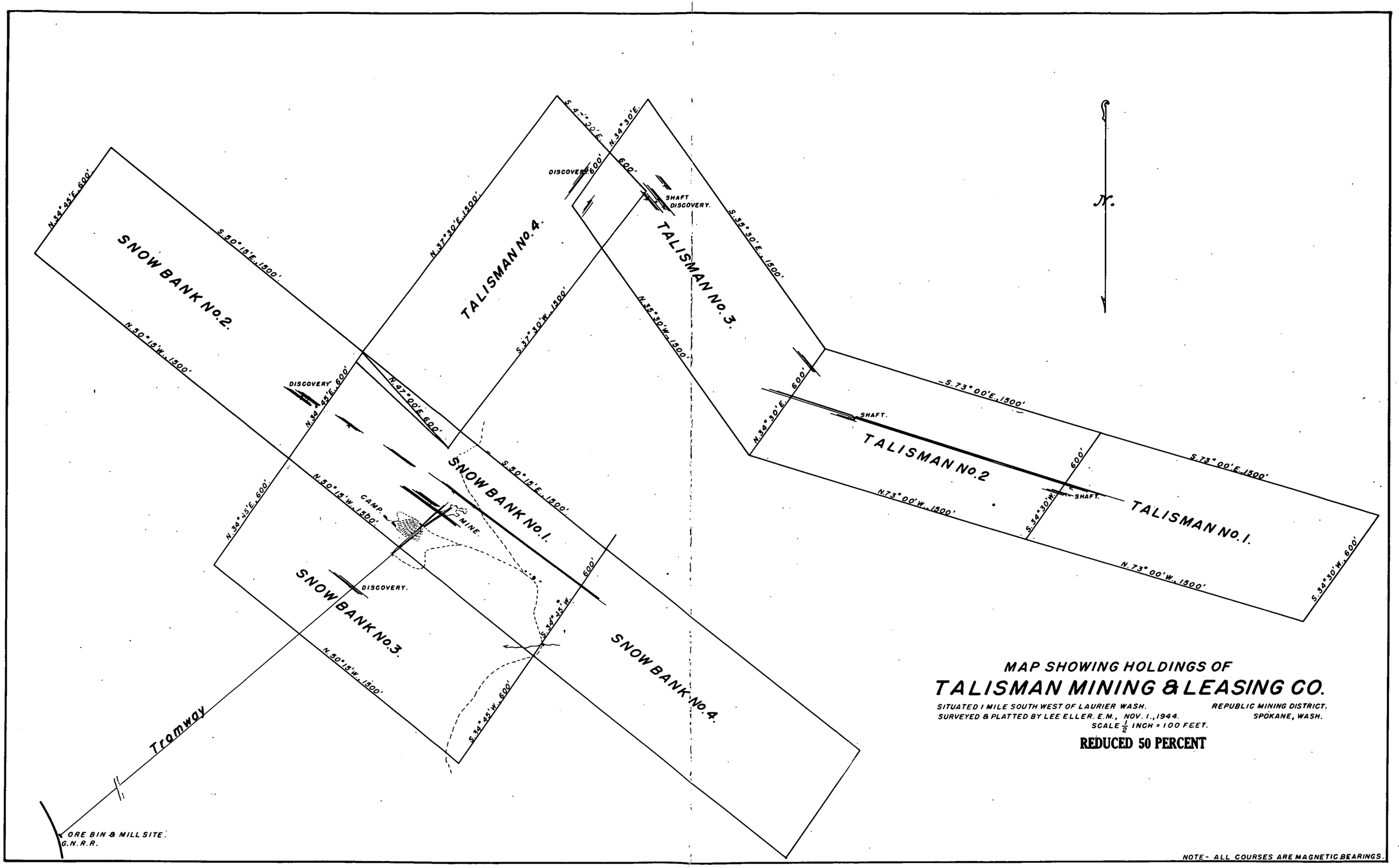
LARGE FORMAT DOCUMENTS AT END OF FILE


N.
SNOW BANK No.2.
N.34°45'E.600'
S.50°15'E.1500'
N.50°15'W.1500'
N.34°45'E.600'
DISCOVERY
TALISMAN No.4.
N.37°30'E.1500'
S.37°30'W.1500'
S.47°00'E.
N.34°30'E.
600'
DISCOVERY
SHAFT
DISCOVERY.
TALISMAN No.3.
S.35°30'E.1500'
N.35°30'W.1500'
N.37°00'E.600'
S.50°15'E.1500'
SNOW BANK No.1.
N.50°15'W.1500'
CAMP.
MINE
N.34°45'E.600'
SNOW BANK No.3.
DISCOVERY.
N.50°15'W.1500'
S.34°45'W.
600'
S.34°45'W.600'
SNOW BANK No.4.
Tramway
ORE BIN & MILL SITE.
G.N.R.R.
S.73°00'E.1500'
N.34°30'E.
600'
SHAFT.
TALISMAN No.2
N.73°00'W.1500'
600'
S.34°30'W.
SHAFT.
S.73°00'E.1500'
TALISMAN No.1.
N.73°00'W.1500'
S.34°30'W.600'
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 1/2 INCH = 100 FEET.
REDUCED 50 PERCENT
NOTE- ALL COURSES ARE MAGNETIC BEARINGS.


N.
SNOW BANK No. 2.
N.34°45'E.600'
S.30°15'E.1300'
N.30°15'W.1300'
N.34°45'E.600'
DISCOVERY
TALISMAN No. 4.
N.37°30'E.1500'
S.37°30'W.1500'
N.47°00'E.600'
S.47°30'E.
N.34°30'E.
600'
DISCOVERY
SHAFT
DISCOVERY.
TALISMAN No. 3.
S.35°30'E.1500'
N.35°30'W.1500'
600'
N.34°30'E.
SHAFT.
S.73°00'E.1500'
TALISMAN No. 2
N.73°00'W.1500'
600'
S.34°30'W.
SHAFT.
S.73°00'E.1500'
TALISMAN No. 1.
N.73°00'W.1500'
S.34°30'W.600'
SNOW BANK No. 1.
S.30°15'E.1300'
CAMP.
MINE.
N.30°15'W.1300'
N.34°45'E.600'
600'
S.34°45'W.
SNOW BANK No. 3.
DISCOVERY.
N.30°15'W.1300'
S.34°45'W.600'
SNOW BANK No. 4.
Tramway
ORE BIN & MILL SITE.
G.N.R.R.
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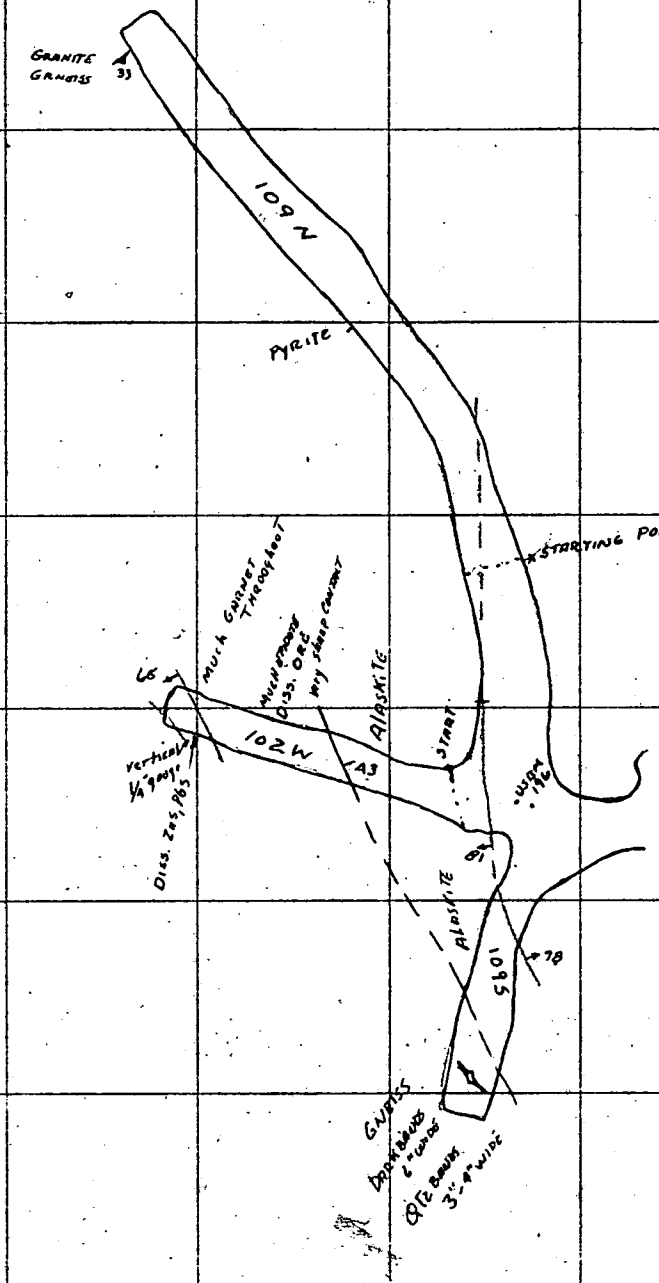
SPOKANE, WASH.
SCALE 1/2 INCH = 100 FEET.
REDUCED 50 PERCENT
NOTE- ALL COURSES ARE MAGNETIC BEARINGS.

EXPLORATION TUNNELS

TALISMAN MINE

FERRY COUNTY, WASHINGTON

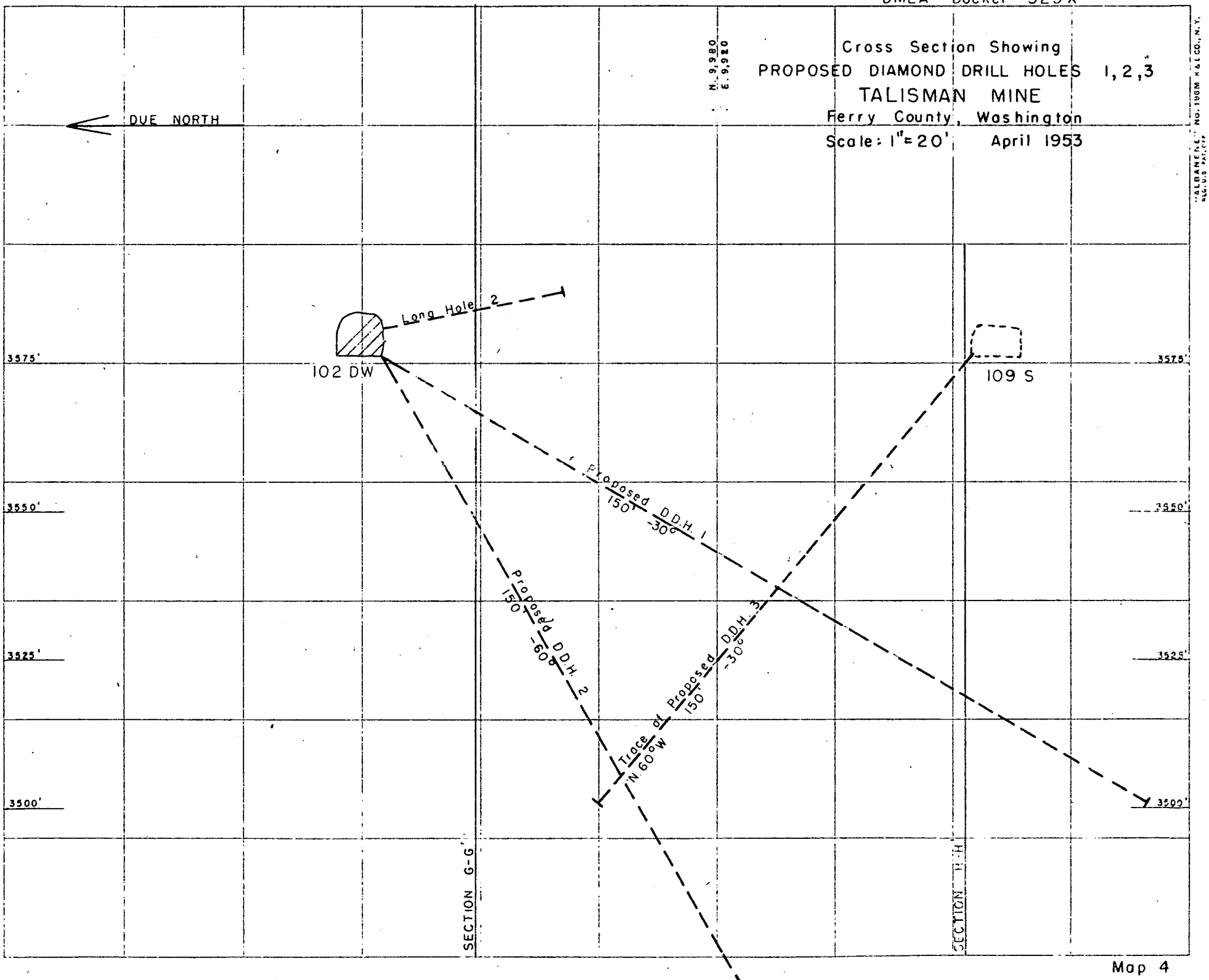
1" = 20'



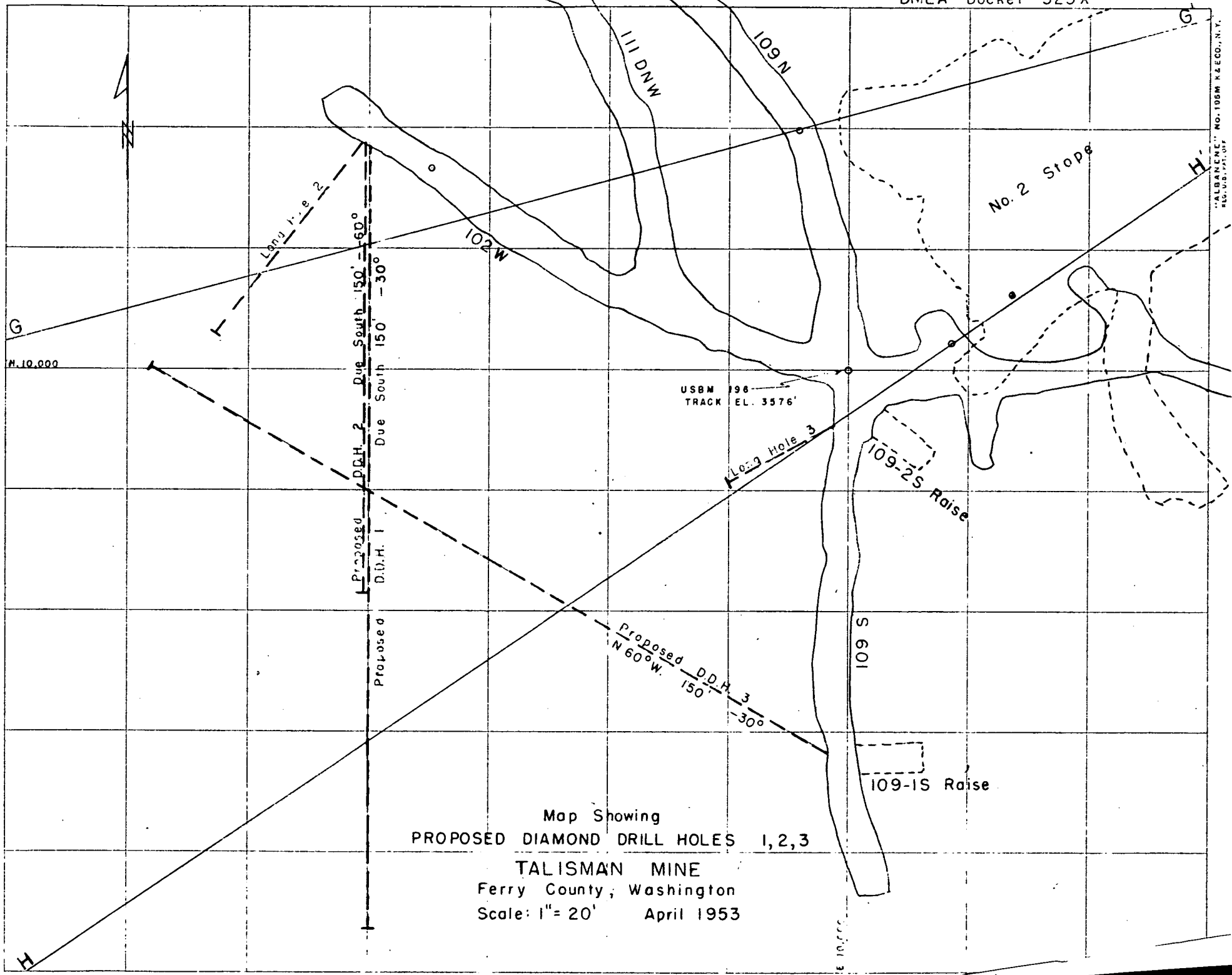
TAPE & COMPASS SURVEY 8/25/52

W. P. PUFFETT
E. H. ROSEBOOM } USGS

"ALBANENE" NO. 105BM-K&E CO., N.Y. REG. U.S. PAT. OFF.


Cross Section Showing
PROPOSED DIAMOND DRILL HOLES 1, 2, 3
TALISMAN MINE
Ferry County, Washington
Scale: 1" = 20'
April 1953
DUE NORTH
N. 9,980
E. 9,920
Long Hole 2
102 DW
109 S
3575'
3550'
3525'
3500'
Proposed D.D.H. 1
150'
-30°
Proposed D.D.H. 2
150'
-60°
Proposed D.D.H. 3
150'
-30°
Trace of
N. 60° W
SECTION G-G'
SECTION H-H'

DMEA Docket 525X



Map Showing
PROPOSED DIAMOND DRILL HOLES 1,2,3
TALISMAN MINE
Ferry County, Washington
Scale: 1" = 20' April 1953

OPERATING AND MANAGEMENT AGREEMENT.

THIS AGREEMENT made and entered into in duplicate this 16 day of November, 1951, by and between TALISMAN MINING AND LEASING COMPANY, a Washington corporation with its office at 730 Peyton Building, Spokane, Washington, hereinafter referred to as "Talisman", party of the first part, and FRANK EICHELBERGER and ERNEST E. EDDY, of the same place, parties of the second part, which shall include the assigns of said second parties,

W I T N E S S E T H :

WHEREAS Talisman holds a mining lease, with option to purchase, dated June 3, 1944, from Glen L. Brink and Ethel Brink, his wife, and Charles A. Moomaw, as lessors, to R. L. Eller and John Sims and/or Talisman Leasing Co., as lessees, on the following described mines and mining properties, near Laurier, in Orient Mining District, Ferry County, State of Washington:

> Snowbank No. 1, Snowbank No. 2, Snowbank No. 3, Snowbank No. 4 and Snowbank No. 5 unpatented quartz lode mining claims, certificates of location of which were recorded June 17, 1942, in Book "LL" of Mineral Locations, at pages 602, 598, 599, 600 and 601 respectively, all reference to books where the instruments herein mentioned are recorded are to the Official Records of Ferry County, Washington (which said Snowbank No. 5 lode mining claim was omitted from said group of claims upon survey thereof),

together with tramway, one anchor of which is on above property and the other is across the right of way of Great Northern Railway Company on private property, together with the appurtenances, which said lease and option to purchase is for a term of 5 years expiring June 3, 1949, and payments thereunder as rent are on a royalty basis on all ores mined, extracted and shipped from said property to a smelter or other purchaser of 10% of the net smelter or other returns and grants to lessee the right to purchase the leased premises for the sum of $35,000 with royalty payments to be applied

on the purchase price, and which said lease, with option to purchase, was recorded on June 28, 1947, in Book 2 of Leases, page 253. That said lease and option to purchase further provides in effect that any mining claims located by lessees adjoining said Snowbank Group of claims shall be so located in the name and for the benefit of lessors and shall be and become subject to all the terms and conditions of said lease and option to purchase, and that pursuant thereto the following named lode mining claims were located for lessors, to wit:

> Talisman #1, Talisman #2, Talisman #3 and Talisman #4 unpatented quartz lode mining claims, certificates of location of which were recorded May 19, 1945, in Book 12 of Mineral Locations, at pages 83, 84, 85 and 86 respectively, and
>
> Talisman #5, Talisman #6, Talisman #7 and Talisman #8 unpatented quartz lode mining claims, certificates of location of which were recorded June 23, 1949, in Book 12 of Mineral Locations, at pages 149, 150, 151 and 152 respectively (which said Talisman #5 to #8 inclusive lode mining claims were located after survey made in 1944), and

WHEREAS Glen L. Brink, Ethel Brink, Don K. Busick and Gale E. Anderson did on June 19, 1947, renew and extend in writing said mining lease, with option to purchase, for a period of 5 years commencing June 3, 1949, and ending on June 3, 1954, which renewal of said lease, with option to purchase, was recorded on August 18, 1947, in Book 2 of Leases, page 257; and

WHEREAS there are delivered to second parties simultaneously with the execution of this agreement the following maps showing

1. Claims held by Talisman as surveyed and platted November 1, 1944;

2. Composite plan levels and stopes, with index map.

3. Sectional map of Talisman Mine at altitude of 3325 ft. with note that there is an adit which extends beneath the workings shown on the map; and

WHEREAS Talisman holds a License and Permit #44328 dated January 15, 1946, granted to it by Great Northern Railway Company to construct, maintain, and operate a 3" black iron pipe line encased in a 5" black iron casing pipe across the right of way of said railway company underneath its tracks at or near said Laurier in Ferry County, Washington, at Survey Station 32 plus 45, 1/2 mile south of said station at Laurier; a License and Permit #46478 dated May 25, 1947, granted to it by said Great Northern Railway Company to a parcel of land described therein, for the purpose of maintaining and operating thereon an ore mill, loading dock, and overhead tramway theretofore constructed, on a rental basis of $40.50 per annum; and a License and Permit #44255 dated December 26, 1945, granted to it by Great Northern Railway Company for the construction and maintenance of a private road crossing at Survey Station 33 plus 00, 1530 feet east of Mile Post 34 at Laurier, Ferry County, Washington; and

WHEREAS Talisman holds a lease dated November 2, 1945, granted to it by William Gallagher and wife of a right of way for water pipe line across the N½ SE¼, Section 3, Township 40 North, Range 36 E.W.M., and to cover ground for pump house and well adjacent to Kettle River on lower level of NE¼ SE¼, in said section, township and range, and to maintain and use a road to such pump house, for a period of ten years, renewable for an additional period of ten years, at an annual rent of $10.00, which said lease was recorded November 6, 1945, in Book 2 of Leases, at page 231; and also a lease dated May 15, 1945, granted to it by Lizzie Willard of the SW¼ NE¼ SW¼ and N½ SE¼ SW¼ in Section 3, Township 40 North, Range 36 E.W.M., consisting of about 20 acres, more or less, together with an easement for road and pipe line easterly across the east one-half of the said SW¼ of said Section 3 to the nearest point on the county road crossing said section for the purpose of a mining

millsite and tailings dump for a period of ten years from said May 15, 1945, on a rental basis of $50 per annum, renewable for an additional period of ten years, which said lease was recorded November 7, 1945, in Book 2 of Leases, page 232; and

WHEREAS Talisman is the owner of a parcel of land containing one acre more or less situate in NE SW SW, in Section 3, Township 40 North, Range 36 W.M., particularly described in the warranty deed thereto from Oscar Iratt, dated December 9, 1947, which said deed was recorded February 14, 1948, in Book 19 of Deeds, page 1; and

WHEREAS the mines and mining properties owned or controlled by Talisman are developed by means of underground tunnels, stopes and raises and surface shafts and cuts on said properties, from which Talisman has in the past produced and shipped zinc and copper concentrates, and that there are situated and/or used in connection therewith at the mine located one mile southwest of Laurier a cookhouse and bunkhouse for the accommodation of twelve men, a tool house and compressor house, and the following 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.

Miscellaneous kitchen equipment - beds and mattresses.

and that there is situated on the land held under License and Permit #46478 from Great Northern Railway Company a 75-ton flotation mill located 1/4 mile from paved Highway No. 395, and 3000 ft. aerial tramway connecting mine with mill, and the following mill equipment:

1 10" x 20" Pacific Jaw Crusher

1 Set crushing rolls - 16" x 30"

1 Hardings Ball Mill - 8' x 22"

1 Rake 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 four-leaf 4 ft. disc filter complete with vacuum equipment.

Miscellaneous reagent feeders, conveyors, motors, etc.

The Ball Mill is driven by a direct drive from a G.M. six-cylinder 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 Kettle River 3000 feet distant by gas-driven pump, and there is situated on the Kettle River on the Gallagher land a pumphouse and its equipment, and on Highway 395 company office and living quarters for millmen on the Pratt land, and

WHEREAS Talisman on September 7, 1951, entered into an Exploration Project Contract, Docket No. DMA 525R, Idm-L 137, with the United States of America, acting through the Department of the Interior, Defense Minerals Administration, designated as the "Government", under which Talisman is to commence work on the exploration and development of its property within thirty days from date of contract and prosecute the work to completion within twelve months from date of contract, and under which the Government agrees to pay 50% of the approved costs incurred, the aggregate total of all sums to be paid by the Government under said agreement is not to exceed $22,000, which is 50% of the agreed estimated total cost of the project fixed at the sum of $44,000 (a photostat copy of which said Exploration Project Contract and accompanying letters is delivered to second parties simultaneously with the execution of this agreement); and

WHEREAS the parties of the second part are mining engineers, maintaining offices at 401 Symons Building, Spokane, Washington; that said second parties have a mining corporation which is at the present time in position to take over the active management and operation of the property of Talisman and that said Talisman is in need of an operating company that can furnish the necessary and required capital whereby said mining properties can be efficiently explored and developed; and

WHEREAS Talisman and the parties of the second part have agreed upon the terms of an Operating and Management Agreement, under which the parties of the second part propose to take over the prospecting, development and mining of the properties hereinbefore described and the extraction, processing and marketing of the ores and concentrates therefrom, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, by virtue of the premises and for and in consideration of the sum of One Dollar, in hand paid by second parties, the receipt of which is hereby acknowledged by Talisman, and the further covenants to be performed by second parties, or their assigns, hereunder, IT IS HEREBY AGREED by and between Talisman and second parties as follows:

1. Assignment. Talisman agrees to convey and by these presents hereby does convey to the parties of the second part an undivided 50% interest in and to all ores and mineral values in all of said Talisman's mining claims herein described, with the right of ingress and egress, including 50% undivided interest in any ores to which Talisman may be entitled under its extra-lateral rights of said mining claims.

2. [illegible]. Commencing as of the 1st day of ~~November~~ January 1952, and extending for a term of not exceeding twenty-five (25) years from date of this agreement,

unless sooner terminated by cancellation or forfeiture as hereinafter provided, second parties shall take over the properties and equipment covered hereby for the purpose of prospecting said properties for possible ore deposits, the development of ore bodies already disclosed, and the extraction, processing and marketing of the ores and concentrates therefrom, subject to the terms and conditions hereof. Second parties agree to prospect, develop and mine the properties of Talisman under such a program as may be warranted as a sound mining venture, and when in the sole judgment of second parties the price of metals permits of a profitable operation, and for such purpose second parties are hereby given the quiet, peaceable and undisturbed possession of said properties, subject to the terms and conditions of said leases, option to purchase, licenses and permits hereinbefore referred to. Second parties agree to keep full and complete accounts in connection with said operation. All work performed shall be done in accordance with good mining practice and with the end in view of developing Talisman's mining claims into a workable and productive mine.

3. [illegible]. Second parties, without liability in any manner on Talisman in connection with the repayment thereof, except as herein provided for, shall supply all the funds required for the performance of their obligations under this contract, in addition to the [illegible] loan hereinafter referred to, and all work performed hereunder shall be under the management, direction and supervision of second parties.

4. TITLE. Title to the contracts, leases, licenses and permits hereinbefore mentioned, and the rights under the same, and to the equipment hereinbefore described, and title to the land owned by Talisman, shall at all times remain in Talisman, subject, however, to the rights of second parties herein granted.

5. [illegible]. This agreement shall not in any manner establish the relation of partnership or co-adventure between the parties hereto, nor shall either the first or second parties have the right or power to bind the other party hereto, as regards third parties, without the specific written consent of the other party hereto.

6. RESPONSIBILITY OF EACH PARTY FOR ITS OWN OBLIGATIONS. Second parties agree to keep the properties covered hereby at all times free and clear of liens for labor and materials, or otherwise, as the result of their activities under this agreement, and to hold Talisman harmless for or on account of any sums which Talisman may be required to pay on account thereof. Second parties further agree that Talisman or its properties shall not in any manner become involved or be responsible for any prior financial or other transactions or litigation of the assignee of second parties, and that such matters, if any, shall not interfere with Talisman's operations as in this agreement set forth.

Talisman agrees to keep the properties free from liens and encumbrances prejudicial to the rights of second parties, and to reimburse second parties for any sums they may be required to pay on account thereof. Talisman has had no source of revenue for some time last past and its stock is non-saleable.

7. DIVISION OF INCOME. Second parties shall have the right to take for themselves all ores extracted in the operation of the mining claims and that as soon as the receipts from the sale of ores and concentrates, or other revenues arising from the operation of said properties hereinbefore described shall provide a surplus over and above payment of royalties, rents, costs (direct and indirect), expenses and liabilities incurred in this operation, and second parties have been reimbursed in full for their expenditures, without interest, Talisman and second parties shall divide all surplus or net income from said Talisman's properties equally.

8. NET INCOME. Such surplus, or net income, shall be the difference between the gross income and the sum of the direct and indirect costs, as hereinafter defined, it being agreed that such definitions of cost are not to be regarded as inflexible but may be altered from time to time by mutual agreement between the management of Talisman and second parties.

9. GROSS INCOME. Gross income shall be defined as the total of all income derived from mining operations conducted on or in Talisman's properties as hereinbefore described.

10. DIRECT COSTS. The following items shall be charged as "direct costs" to the second parties' operation:

(a) "Direct Labor," which means all underground labor engaged in mining, mucking, timbering and timber repair work in the mining operation, and labor in and about the mill in processing and shipping the ores and concentrates; and necessary surface labor in and about the mining properties, the mill, tramway, and equipment of Talisman.

(b) All material, explosives and timber consumed in said operation, and all materials, equipment and supplies used in the milling operation, including equipment installed, which constitutes a permanent improvement to said property;

(c) All taxes or other government exactions arising from the mining property or its operations, specifically including any property taxes paid by second parties as a result of said operation, and the "occupation tax" of one-fourth of one per cent of the gross value of all mineral and ore extracted.

11. INDIRECT COSTS. The following items shall be charged as "indirect costs" to the second parties' operation:

Supervision, office and accounting expense at mine and Spokane, and legal expense, all directly connected with the operation hereunder, surveying, assaying, sampling, prospecting, accidents, royalties and rents, real and personal property taxes, adequate fire insurance on buildings and equipment and adequate liability insurance, workmen's compensation, hospital, welfare, etc.

Insurance as herein mentioned must be in force in name of Talisman during life of this contract.

12. TAXES. Talisman will pay all costs and expenses necessary to maintain its corporate existence. Talisman owes a personal property tax for the years 1950 and 1951, now delinquent, of approximately $1000.00 to Ferry County, Washington, which is a lien against the real and personal property of Talisman, which it is unable to pay, and which second parties agree to pay and charge such payment to Talisman. The total real and personal property taxes of Talisman due to Ferry County, Washington, each year is approximately $500.00.

Each party shall be entitled to a benefit of fifty per cent (50%) of any allowable deduction for depletion of ore reserves in computing Federal income tax.

13. [illegible]. Second parties agree to proceed with the exploration and development of the Talisman property under the terms of this agreement in good faith and as diligently as existing

conditions will permit, and all work performed shall be under the supervision, direction and management of second parties. Second parties agree to perform a minimum in labor or improvements of $10,000 per year upon or for the benefit of the properties of Talisman in prospecting, developing, exploring, mining and equipping said properties, and they must perform ample work to satisfy the requirements with respect to performance of annual assessment work upon any or all unpatented mining claims and sufficient to cover the minimum requirement upon any of the present contracts.

14. ASSIGNMENT. It is understood and agreed between the parties hereto and Talisman agrees that if at any time the parties of the second part should find it of advantage to enter into an agreement for the assignment of their right, title and interest in and to this agreement to a mining corporation qualified to take over and perform the terms and conditions of this contract, said second parties shall have the right and privilege of making said assignment without the approbation or consent, either written or oral, of Talisman. In the event of such assignment said second parties shall have the right and privilege of transferring possession of the premises and property, including real and personal property.

15. EXAMINATION OF TITLE. Parties of the second part are to have the immediate right to examine the title to said mining claims and all other mining property, both real and personal, made the subject of this contract and to obtain abstracts of title and any other required data at their own costs and expense, if second parties so desire, and for this purpose the parties of the second part shall have access to all the records of Talisman and the officers of Talisman will furnish any and all records and pertinent information so that the parties of the second part may determine the status of the title of Talisman to said lode mining claims and mining property.

16. [illegible]. In case, during the existence of this contract, the parties of the second part should decide to patent the lode mining claims, it is understood and agreed between the parties hereto that the said second parties shall have the right and privilege of instituting patent proceedings in the name of Talisman, and, when patent is obtained, the same is to be subject to the interest of the parties of the second part in said mining claims as herein agreed.

17. [illegible]. Second parties agree to provide Talisman at the end of each month with a report setting forth in detail the result of exploration and development of mining operations on the lands covered hereby, for the preceding month. This report shall include a log of drilling operations, copies of drill core assays, assays of ore, mill results, and smelter returns, and Talisman shall have the right at all times, during regular working hours, by its proper officers and agents, to enter upon the premises, inspect the work being done, examine cores and sample ores and concentrates and tailings, to the end that Talisman shall have complete information as to the work being done by second parties.

18. [illegible]. Any officer of Talisman or any other person authorized by its board of directors shall have the right, at any reasonable time, to inspect any book or record of second parties, kept in connection with the operations under this agreement and to make such audit thereof as may be desired. Such authorized officers and/or other authorized persons shall also have the right at any reasonable time to make any inspection which may be desired of the mill operation in which the ores from the properties covered by this agreement may be milled, the mine operation, and any other part of the Talisman operation.

19. SALE OF ORES AND CONCENTRATES. It is agreed that second parties under this agreement control both the sale and purchase of the ores and concentrates produced from the properties owned or controlled by Talisman or otherwise. Second parties agree to obtain a fair open market price for said ores and concentrates at the time shipped.

20. POSTING NOTICES. Parties of the second part agree that upon taking possession of said mining property they will immediately post suitable notices in conspicuous places upon the property, notifying all laborers, materialmen, and other parties furnishing work, labor, services or materials to said mining operation that second parties are in possession and working said property under an operating and management agreement with Talisman, and to the effect that Talisman and its properties will not be liable for any debts incurred or obligations created by second parties in the prosecution of work upon the same under this agreement. Talisman is also to have the right and privilege of posting further and additional notices to the same effect if it so desires.

21. SUSPENSION OF OPERATIONS BY STRIKES ETC. In the event of strikes, floods, fires, war, revolution, governmental regulations, act of God, or other unavoidable casualty beyond the control of second parties, and/or any decrease in metal prices to such an extent as would render mining operations unprofitable in the sole opinion of second parties, which prevent or substantially retard second parties from carrying out their obligations hereunder (and all such causes, and each of them, are expressly recognized as valid reasons for deferment by Talisman), then and in any of said events so preventing or substantially retarding second parties from carrying out any of their obligations, the time for performing such obligations shall be extended for a time equivalent to the duration of such period or periods as conditions above mentioned exist, but any of such causes shall not be ground for suspending the performance of annual assessment work on the unpatented claims of Talisman, unless suspended by act of Congress.

22. PURCHASE CONTRACTS. It has been heretofore set forth in this agreement that the Snowbank and Talisman groups of claims, consisting of 12 in number, are being purchased for $35,000.00 under lease and option to purchase to be paid at the rate of 10% of any net smelter returns; that the option to purchase expires June 3, 1954, and should ten percent (10%) of the net smelter returns be insufficient to pay for the property by June 3, 1954, the entire residue will become due and payable at that time. Second parties agree that ten percent (10%) of any net smelter returns shall be payable to the owners of said mining claims and that in case the said $35,000.00 has not been paid in full by June 3, 1954, second parties will assume and pay said balance. That upon payment of the full purchase price thereof, the title to said mining claims shall be transferred to Talisman, but the said ten percent(10%) of any net smelter returns that have been paid thereon by second parties and any balance that second parties are required to pay shall be added to the costs and expenses of the operation and development of the property and be returned to second parties before any division of the net profits with Talisman.

23. D.M.A. LOAN. It is agreed in connection with said D.M.A. Loan hereinbefore referred to that second parties will advance Talisman's 50% or $22,000 of the agreed estimated total cost of the exploration and development project fixed at the sum of $44,000 as the same becomes due and payable, and Talisman agrees that second parties shall have the benefit of the remaining $22,000 which is to be paid by the Federal government under said D.M.A. loan, and for this purpose Talisman hereby sets over, assigns and transfers to second parties all of its interest in said $22,000 payment under said D.M.A. loan, and agrees that second parties shall have the right and privilege of using and applying said fund for the purposes of exploration and development by and in accordance with the terms and conditions of said D.M.A. loan.

If the government, upon completion of the exploration project or termination of the contract, considers that, under paragraph 15 of said exploration Project Contract governing repayment by Talisman, a discovery or development has resulted from the work from which commercial production of ore may be made, and shall so certify to Talisman within six months thereafter, and Talisman becomes obligated to pay to the government the percentage royalty on the net smelter returns as therein determined, realized from such ore, concentrates, or metal produced within ten years from date of contract until the total amount contributed by the government, without interest, is fully repaid or said ten years have elapsed, whichever occurs first, second parties agree that the royalties to be applied toward the repayment of said D.M.A. loan shall be deducted from the net smelter or other returns as shipments are made and turned over and paid to the Federal government as repayments of said D. M. A. loan. If any portion of said loan is completely and fully repaid from ore shipments made by second parties, then and in that event the said amount shall be added to the development advances made by second parties and shall be returned to second parties before any net income is declared, or any division of profits with Talisman.

24. FULFILLMENT. It is agreed between the parties hereto that second parties shall not be obligated for any obligations of any kind or character heretofore incurred by Talisman other than the purchase contract payment for the said Snowbank and Talisman Groups of lode mining claims as mentioned in paragraph 22 and the items mentioned in paragraphs 6 and 12 of this agreement, and as to any other obligations heretofore outstanding against Talisman, if any, said Talisman will at all times save harmless and protect said second parties from the payment of any such obligations.

25. RIGHT OF SECOND PARTIES TO TERMINATE. Second parties may at any time after date hereof, if they so elect, discontinue any operation, development or mining program on said Talisman property. In case that the said second parties desire to abandon the project and discontinue development thereon, they shall give to Talisman thirty (30) days written notice of their intention so to do, and upon the expiration of said thirty (30) days, they shall deliver to Talisman a release thereof, duly executed and acknowledged, legally sufficient to terminate this contract of record, and to reconvey the 50% interest in and to all ores and mineral values in Talisman's claims and by this agreement conveyed to second parties, and thereupon the contract shall be at an end and second parties shall have the right to remove, within ninety (90) days thereafter, all machinery, equipment and supplies for which they have not previously been reimbursed placed on said premises by them hereunder, provided, however, that such termination shall not relieve second parties from their liabilities hereunder theretofore accrued. Upon said abandonment or other termination of this agreement, second parties shall leave the property and the equipment in good state and condition, reasonable wear and tear as to the equipment excepted, and all permanent improvements that have been made thereon by second parties, as well as any and all payments and advances that have been made in the way of cash or otherwise, shall be and become forfeited by second parties to Talisman as and for liquidated and stipulated damages for failure on the part of second parties to fulfill and carry out said development. Talisman shall have no other recourse against second parties other than the forfeitures heretofore enumerated.

26. RIGHT OF TALISMAN TO TERMINATE. Should second parties fail to perform any of the covenants and agreements herein contained at the time and in the manner herein specified, or shall

fail to perform any of the covenants and conditions of said leases, option to purchase, licenses and permits hereinbefore mentioned, Talisman shall have the right to cancel and terminate this contract upon giving to second parties thirty (30) days written notice of its intention so to do, stating specifically the grounds upon which it is claimed second parties are in default, and unless the existing default shall have been remedied by second parties during the said thirty-day period, this contract shall thereupon be terminated and at an end. Such cancellation, however, shall not release or relieve second parties from liabilities hereunder theretofore accrued.

27. WORK OUTSIDE PROPERTY LINES. It is agreed between the parties hereto that in the development of the said Snowbank and/or Talisman claims second parties will not be required to work within the lines of said claims, providing work done off of said claims is for the benefit of said mining claims of Talisman, such as a deep shaft sunk or tunnel driven on adjoining property with an arrangement that access can be had through said shaft or tunnel to the lower levels of the veins in the Talisman property or a deep tunnel driven off of the said Talisman claims with the purpose of reaching and exploring veins in the Talisman property within its lines or extra-laterally at depth.

28. LITIGATION. It is agreed between the parties hereto that in case dispute should arise with neighboring owners as respect to the lines of said claims or matters involving extra-lateral rights including the ownership of ore bodies apexing in Talisman property, and should litigation ensue relative thereto, it is agreed that second parties herein shall have the right to commence litigation, if in their judgment it is necessary, or likewise defend any litigation started against Talisman or second parties, and that the expenses and costs of such litigation shall be borne by second parties, but treated as an advance the same as development advances provided in this contract. It is provided, however, that second parties will not have the right to settle any such controversy or compromise the same without the consent of Talisman being first had and obtained.

29. ARBITRATION. The parties appreciate that unforseen contingencies in the operations contemplated by this agreement and not specifically covered by its terms and conditions and questions of construction and performance may arise. Each party covenants and agrees to approach such questions and differences in a spirit of fairness and cooperation.

In the event the parties are unable to agree upon any question of construction, performance or other contingency not specifically covered by this agreement, they agree to submit the differences to arbitration, each to select one arbitrator and those two to select a third; the expenses of such arbitration to be borne equally. Each party covenants and agrees not to resort to legal action over any question or difference arising out of this agreement until the same has been submitted firstto arbitration as herein provided.

30. AGREEMENT EXTENDS TO SUCCESSORS. This agreement, and all of its provisions, shall extend to, inure to the benefit of, and be binding upon the parties hereto, the successors and assigns of first party, and the heirs, personal representatives and assigns of second parties.

IN WITNESS WHEREOF, the party of the first part, acting by and through a proper resolution passed by its board of directors at a meeting duly and lawfully called, has hereunto caused its corporate name to be signed and its corporate seal affixed by and through its proper officers, and the parties of the second part have hereunto set their hands and seals the day and year in this instrument first above written.

TALL[illegible] MINING COMPANY

By [illegible]
President.

ATTEST:

[illegible]
Secretary

[illegible]

[illegible]

[illegible]

STATE OF WASHINGTON)
)ss.
County of Spokane)

On this 16 day of November, 1951, before me personally appeared HENRY T. [illegible], to me known to be the president of Talisman Mining and Leasing Company, 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.

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

STATE OF ~~CALIFORNIA~~ Washington)
)ss.
County of Spokane)

On this day personally appeared before me [illegible] MICHAL-[illegible], to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15 day of ~~November,~~ December 1951.

Notary Public in and for the State of ~~California~~ Washington, residing at Spokane.

State of Washington)
) ss.
County of Spokane)

On this day personally appeared before me [illegible] L. [illegible], to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

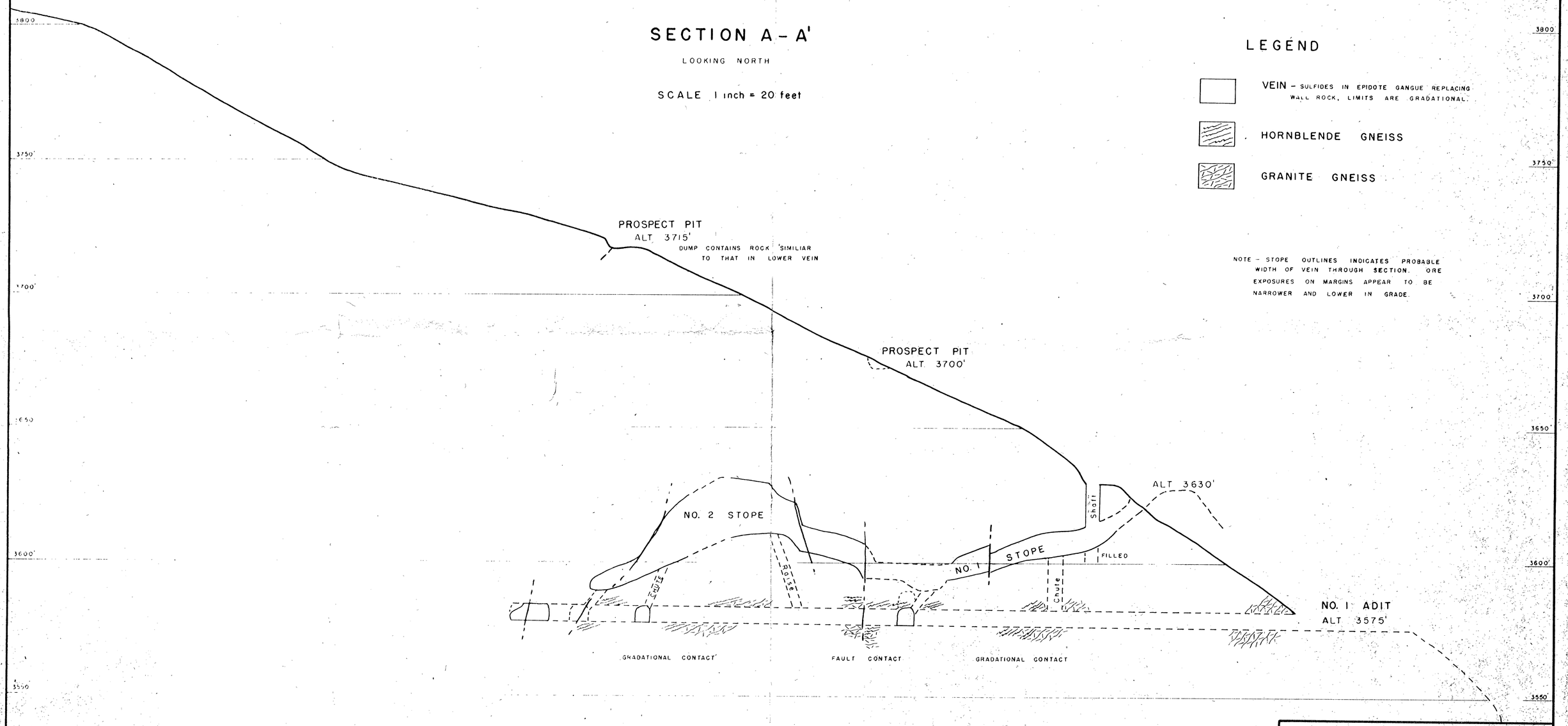
Given under my hand and official seal this 15 day of ~~November~~ December, 1951.

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

SECTION A – A'

LOOKING NORTH

SCALE 1 inch = 20 feet



LEGEND

VEIN – SULFIDES IN EPIDOTE GANGUE REPLACING WALL ROCK, LIMITS ARE GRADATIONAL.

HORNBLENDE GNEISS

GRANITE GNEISS

NOTE – STOPE OUTLINES INDICATES PROBABLE WIDTH OF VEIN THROUGH SECTION. ORE EXPOSURES ON MARGINS APPEAR TO BE NARROWER AND LOWER IN GRADE.

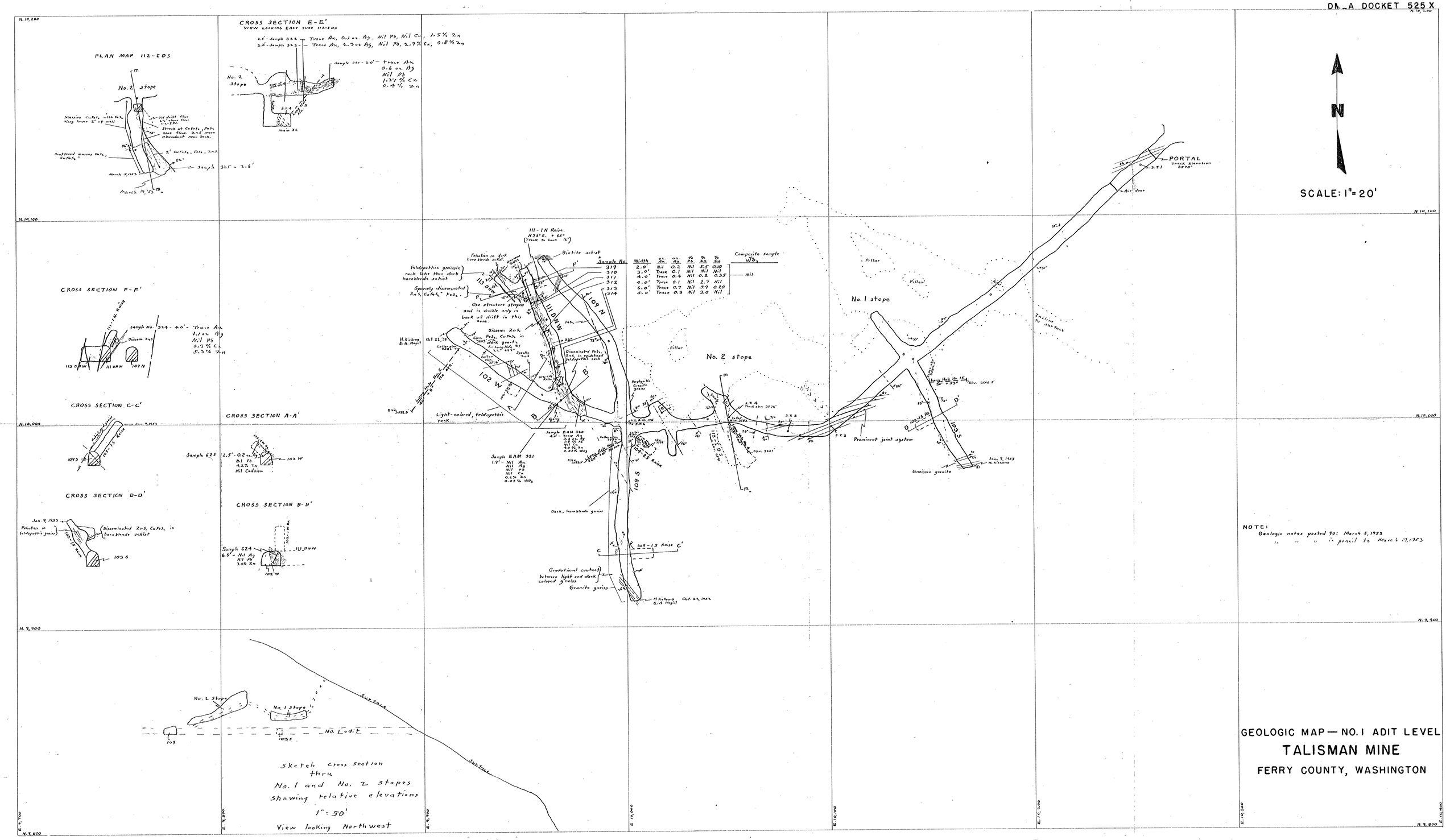
NOTE – AT A REPORTED ALTITUDE OF 3325' THERE IS AN ADIT WHICH EXTENDS BENEATH THESE WORKINGS.

Bureau of Mines

TALISMAN MINE

FERRY COUNTY, WASHINGTON

ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	



Sample No.	Width	Au oz.	Ag oz.	Pb %	Zn %	Cu %	Composite sample WO_3
319	2.0'	Nil	0.2	Nil	5.5	0.10	
310	3.0'	Trace	0.1	Nil	Nil	Nil	
311	4.0'	Trace	0.4	Nil	0.2	0.35	Nil
312	4.0'	Trace	0.1	Nil	2.7	Nil	
313	6.0'	Trace	0.7	Nil	5.9	0.20	
314	5.0'	Trace	0.3	Nil	3.0	Nil	

NOTE:
Geologic notes posted to: March 5, 1953
" " " in pencil to March 17, 1953

GEOLOGIC MAP — NO. 1 ADIT LEVEL
TALISMAN MINE
FERRY COUNTY, WASHINGTON

Map 2

SECTION A - A'

LOOKING NORTH

SCALE 1 inch = 20 feet

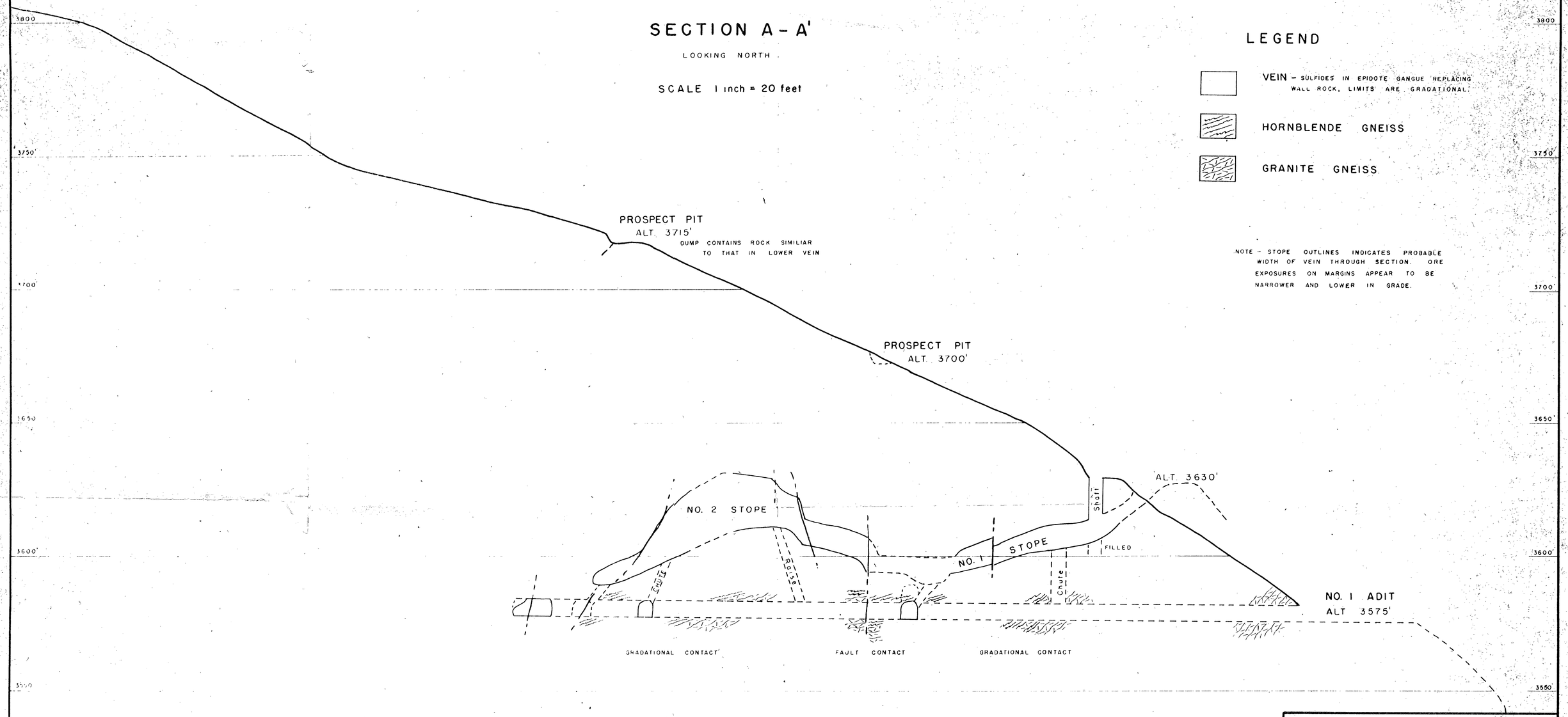
LEGEND

VEIN - SULFIDES IN EPIDOTE GANGUE REPLACING WALL ROCK, LIMITS ARE GRADATIONAL.

HORNBLENDE GNEISS

GRANITE GNEISS

NOTE - STOPE OUTLINES INDICATES PROBABLE WIDTH OF VEIN THROUGH SECTION. ORE EXPOSURES ON MARGINS APPEAR TO BE NARROWER AND LOWER IN GRADE.



NOTE - AT A REPORTED ALTITUDE OF 3325' THERE IS AN ADIT WHICH EXTENDS BENEATH THESE WORKINGS

TALISMAN MINE

FERRY COUNTY, WASHINGTON

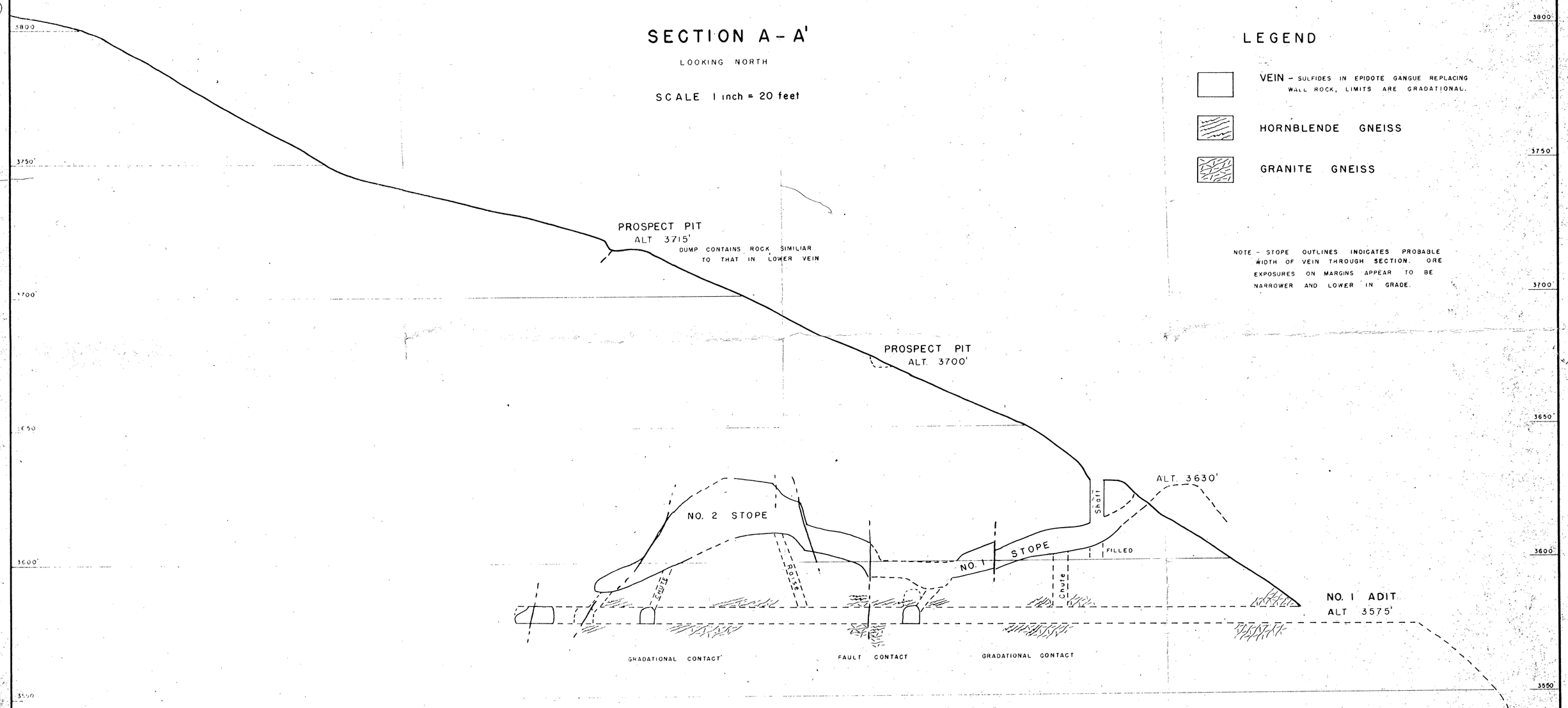
ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	

Bureau of Mines

SECTION A – A'

LOOKING NORTH

SCALE 1 inch = 20 feet



NOTE – AT A REPORTED ALTITUDE OF 3325' THERE IS AN ADIT WHICH EXTENDS BENEATH THESE WORKINGS

LEGEND

VEIN – SULFIDES IN EPIDOTE GANGUE REPLACING WALL ROCK, LIMITS ARE GRADATIONAL.

HORNBLENDE GNEISS

GRANITE GNEISS

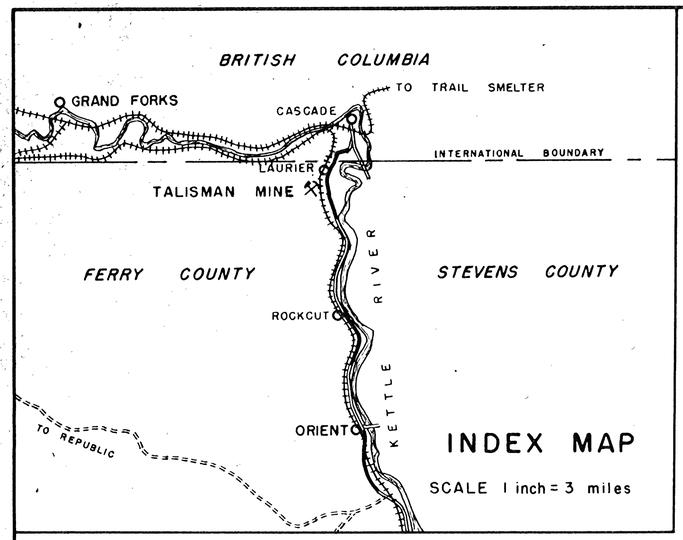
NOTE – STOPE OUTLINES INDICATES PROBABLE WIDTH OF VEIN THROUGH SECTION. ORE EXPOSURES ON MARGINS APPEAR TO BE NARROWER AND LOWER IN GRADE.

TALISMAN MINE

FERRY COUNTY, WASHINGTON

ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	

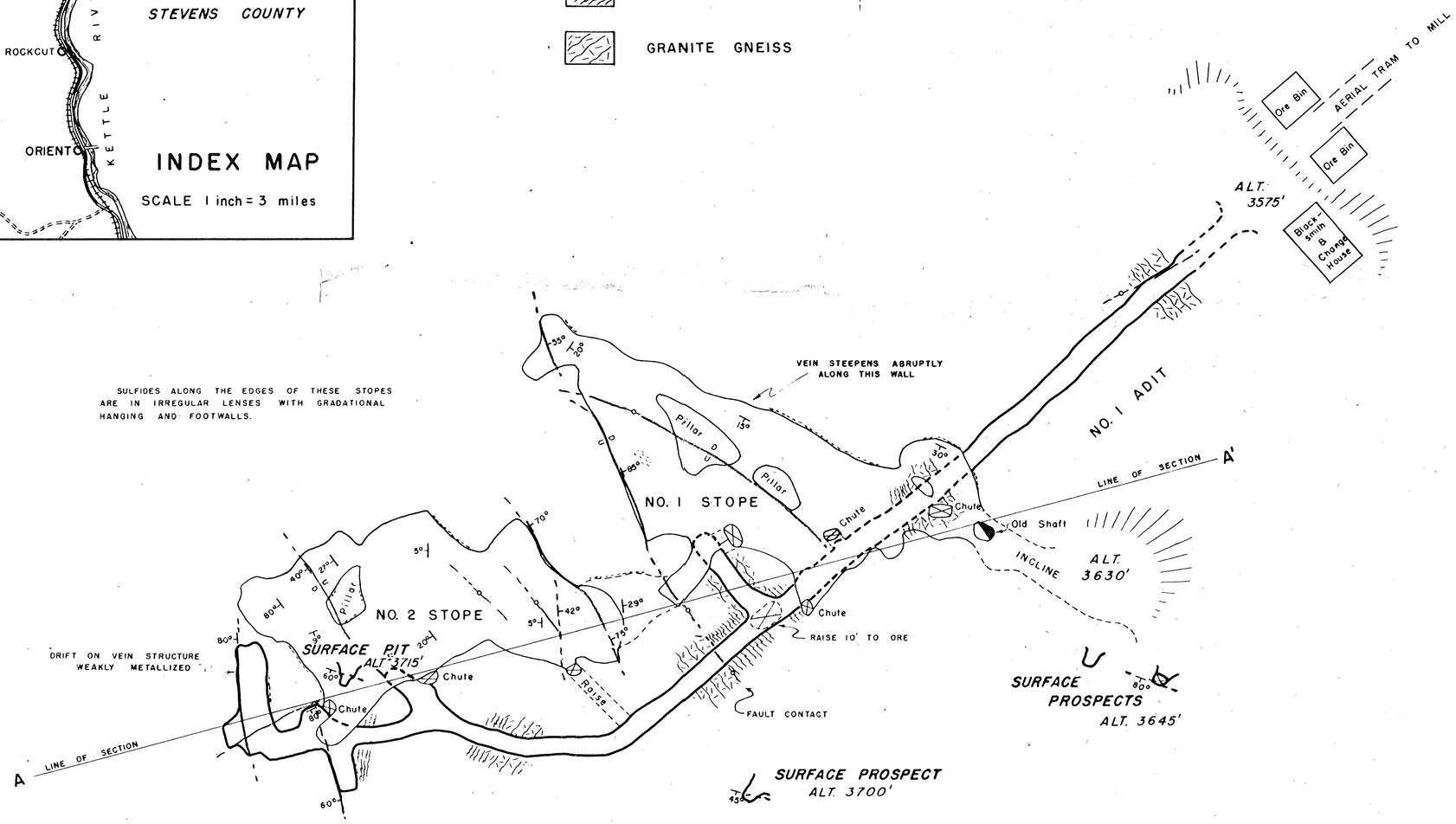
Bureau of Mines



LEGEND

- ORE – OBSERVED SULFIDES
- HORNBLENDE GNEISS
- GRANITE GNEISS

SULFIDES ALONG THE EDGES OF THESE STOPES ARE IN IRREGULAR LENSES WITH GRADATIONAL HANGING AND FOOTWALLS.



SCALE 1 in = 20 ft

BRUNTON TAPE SURVEY

Note - At a reported altitude of 3325' there is an unsurveyed adit which extends beneath these workings.

Note - Surface Prospects are adapted from a tracing by Lee Eller 12-28-50

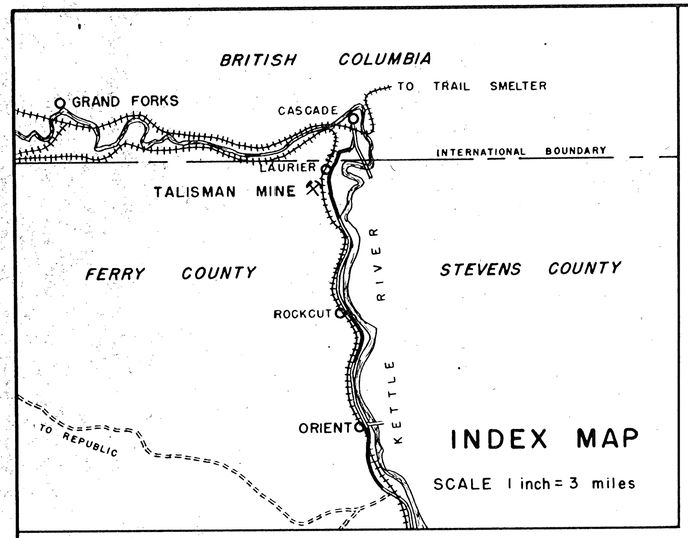
COMPOSITE PLAN LEVELS & STOPES

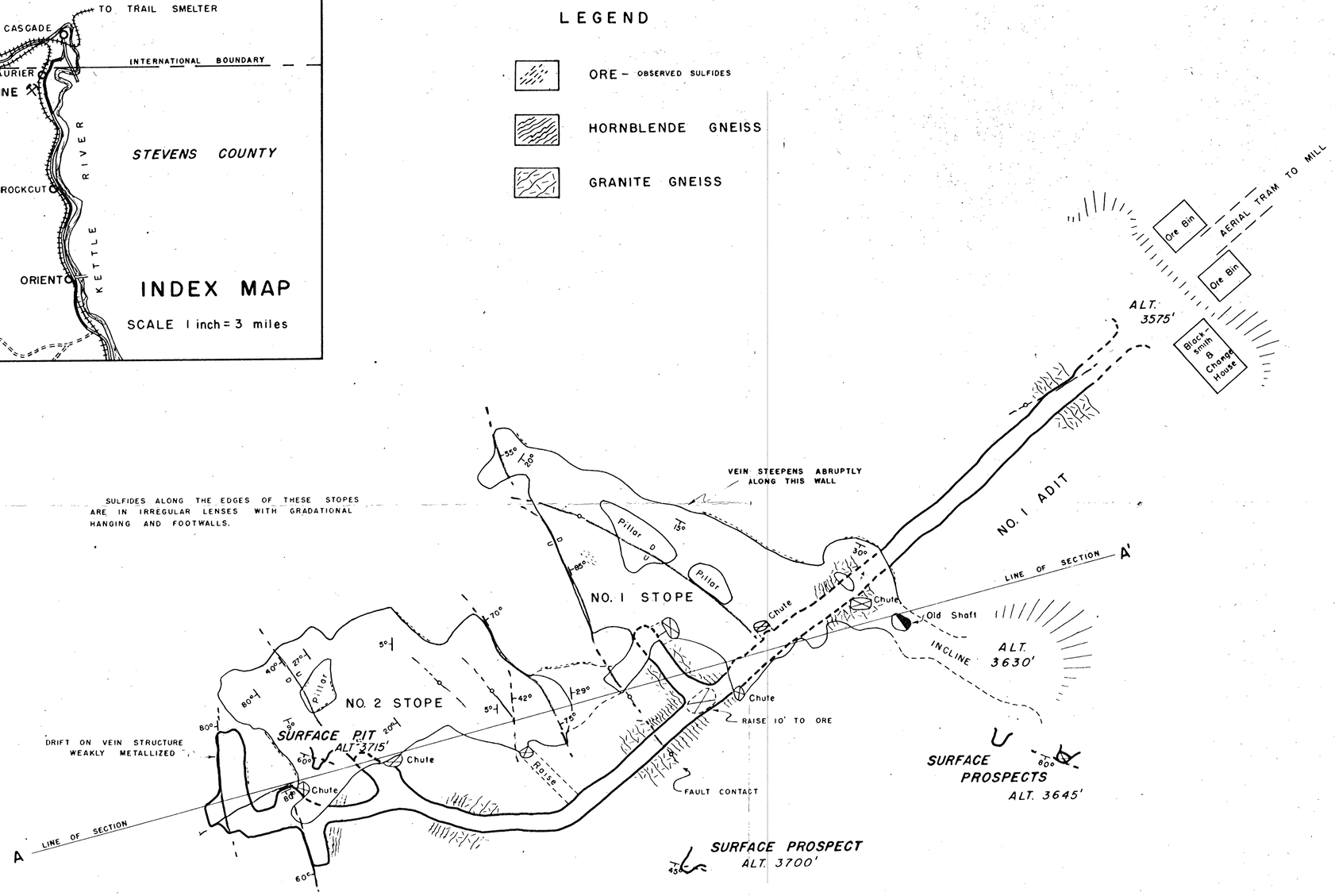
Bureau of Mines

TALISMAN MINE

FERRY COUNTY, WASHINGTON

ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	





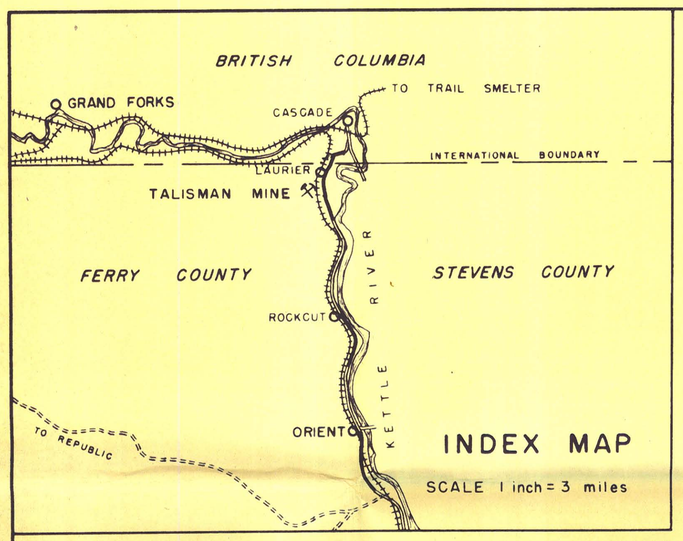
COMPOSITE PLAN LEVELS & STOPES

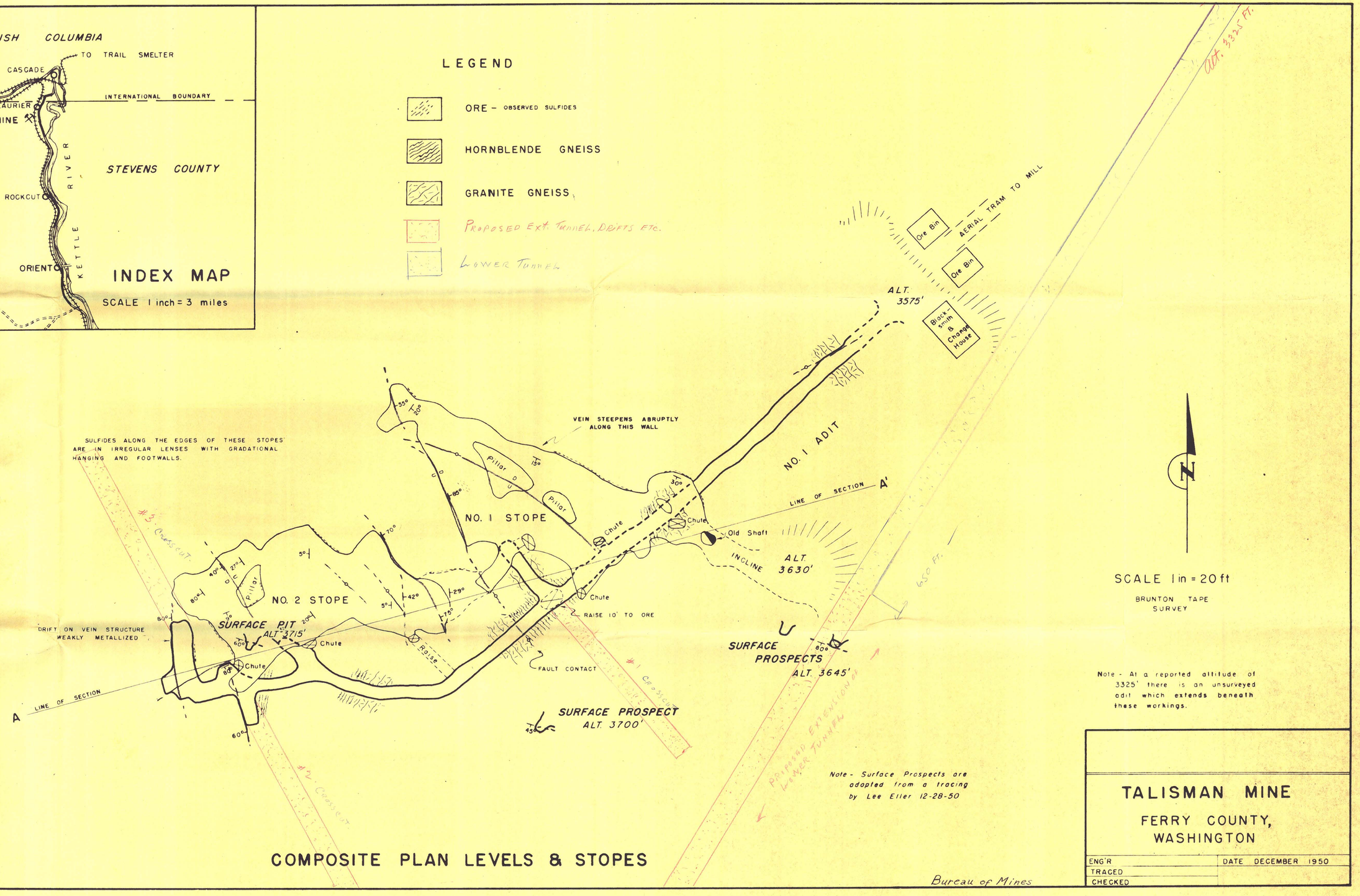
Bureau of Mines

TALISMAN MINE

FERRY COUNTY, WASHINGTON

ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	





COMPOSITE PLAN LEVELS & STOPES

SECTION A - A'

LOOKING NORTH

SCALE 1 inch = 20 feet

LEGEND

VEIN - SULFIDES IN EPIDOTE GANGUE REPLACING WALL ROCK, LIMITS ARE GRADATIONAL.

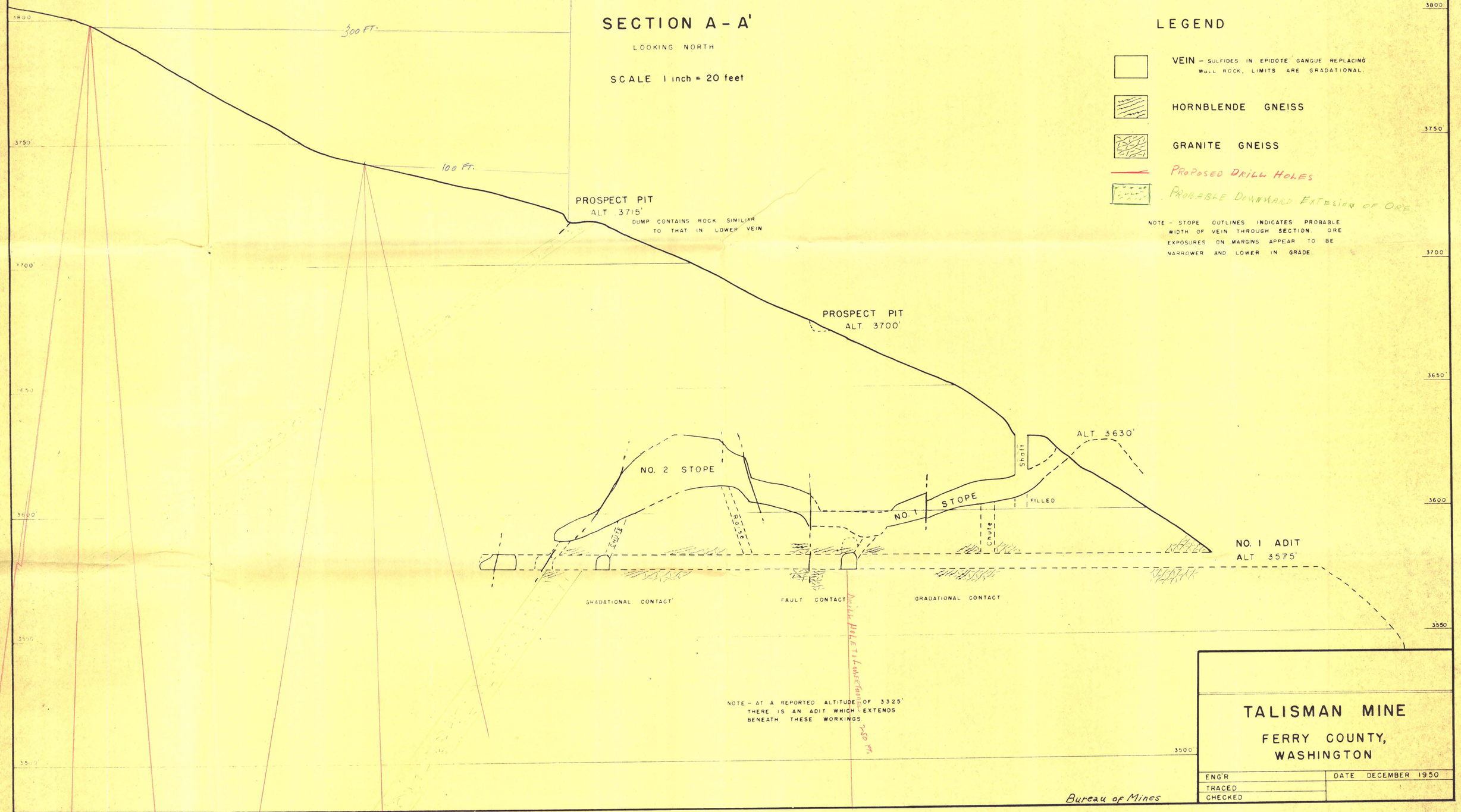
HORNBLENDE GNEISS

GRANITE GNEISS

PROPOSED DRILL HOLES

PROBABLE DOWNWARD EXTENSION OF ORE

NOTE - STOPE OUTLINES INDICATES PROBABLE WIDTH OF VEIN THROUGH SECTION. ORE EXPOSURES ON MARGINS APPEAR TO BE NARROWER AND LOWER IN GRADE.

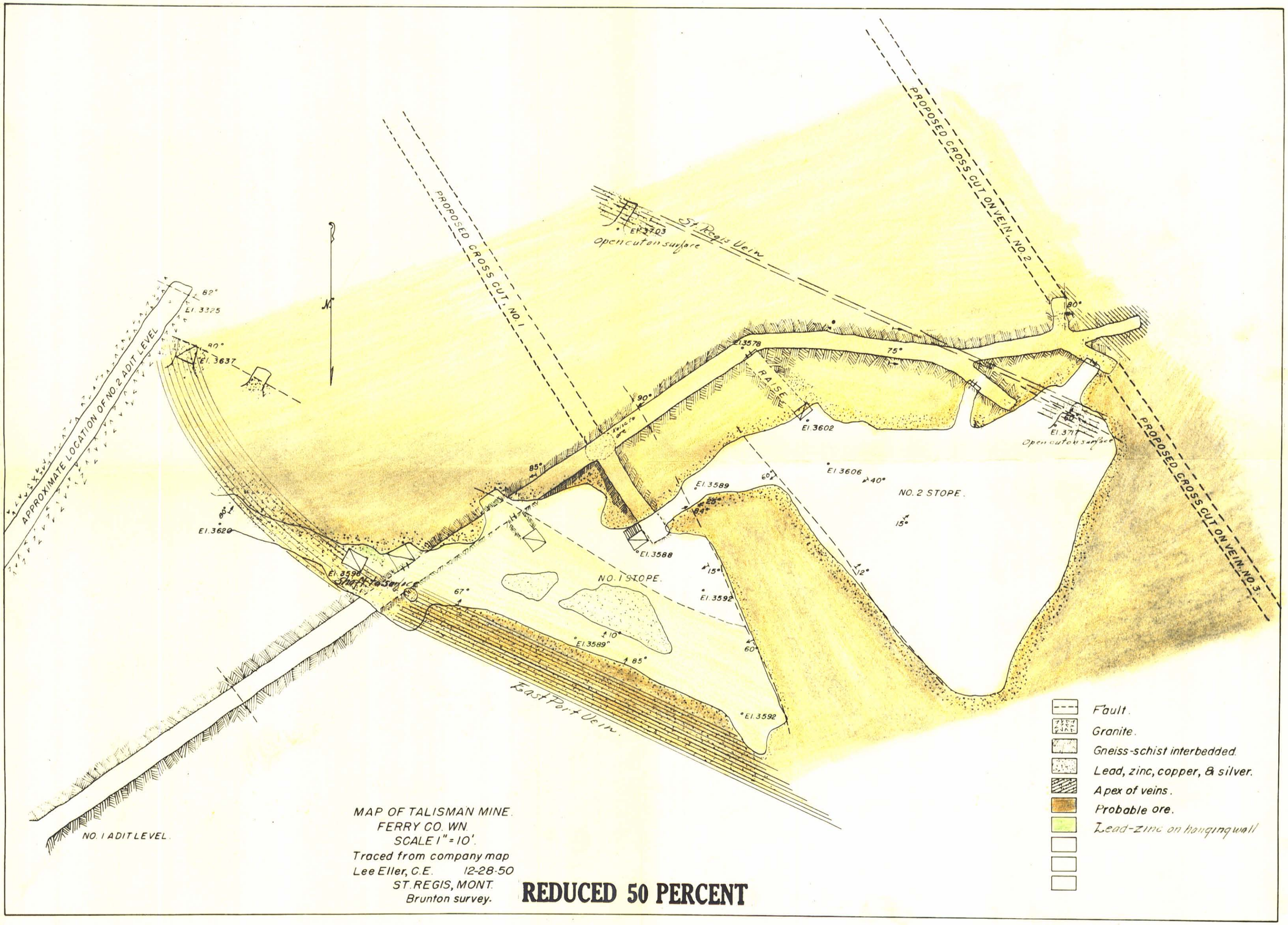


TALISMAN MINE

FERRY COUNTY, WASHINGTON

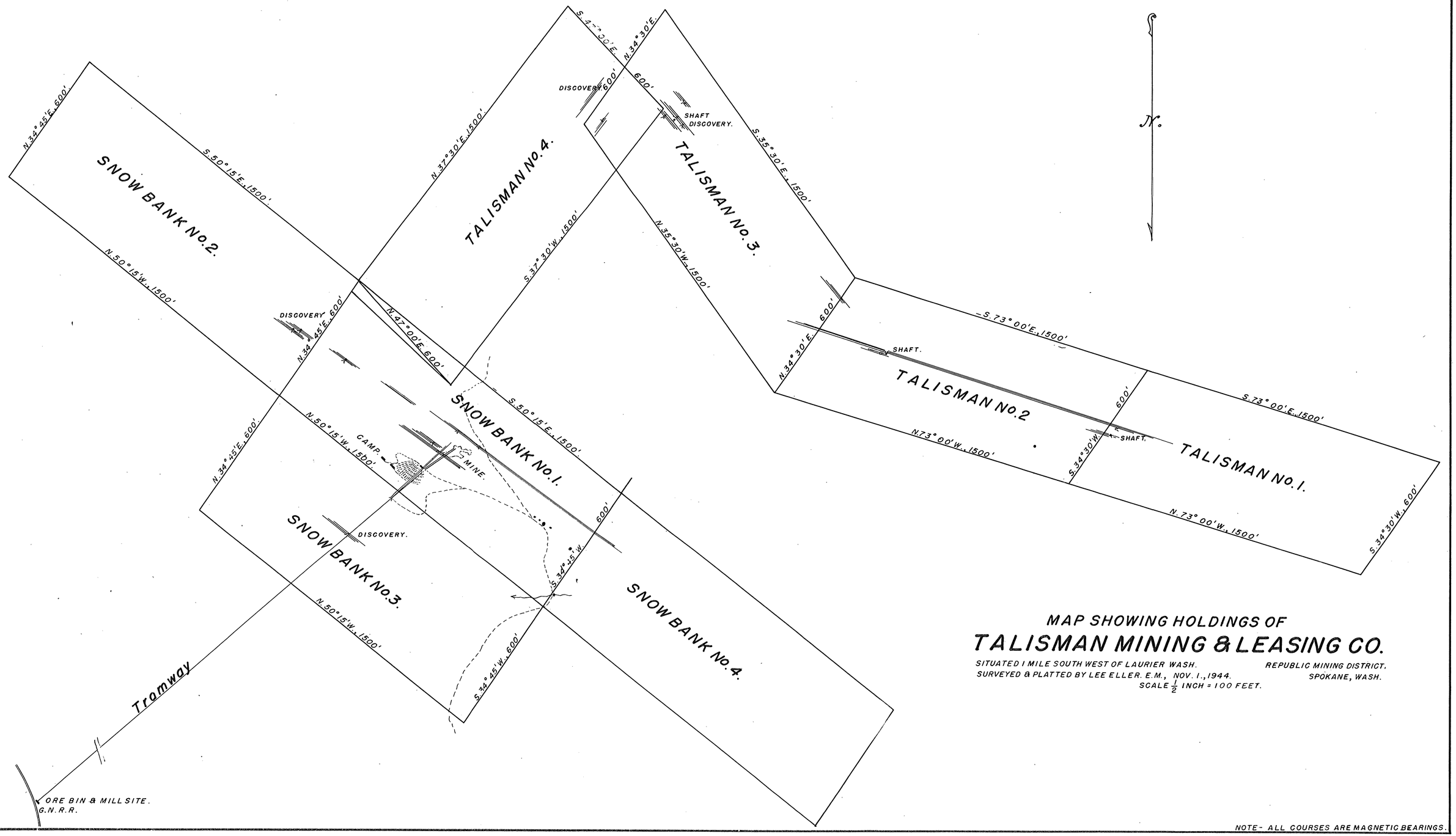
ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	

Bureau of Mines



MAP OF TALISMAN MINE.
FERRY CO. WN.
SCALE 1" = 10'.
Traced from company map
Lee Eller, C.E. 12-28-50
ST. REGIS, MONT.
Brunton survey.

REDUCED 50 PERCENT

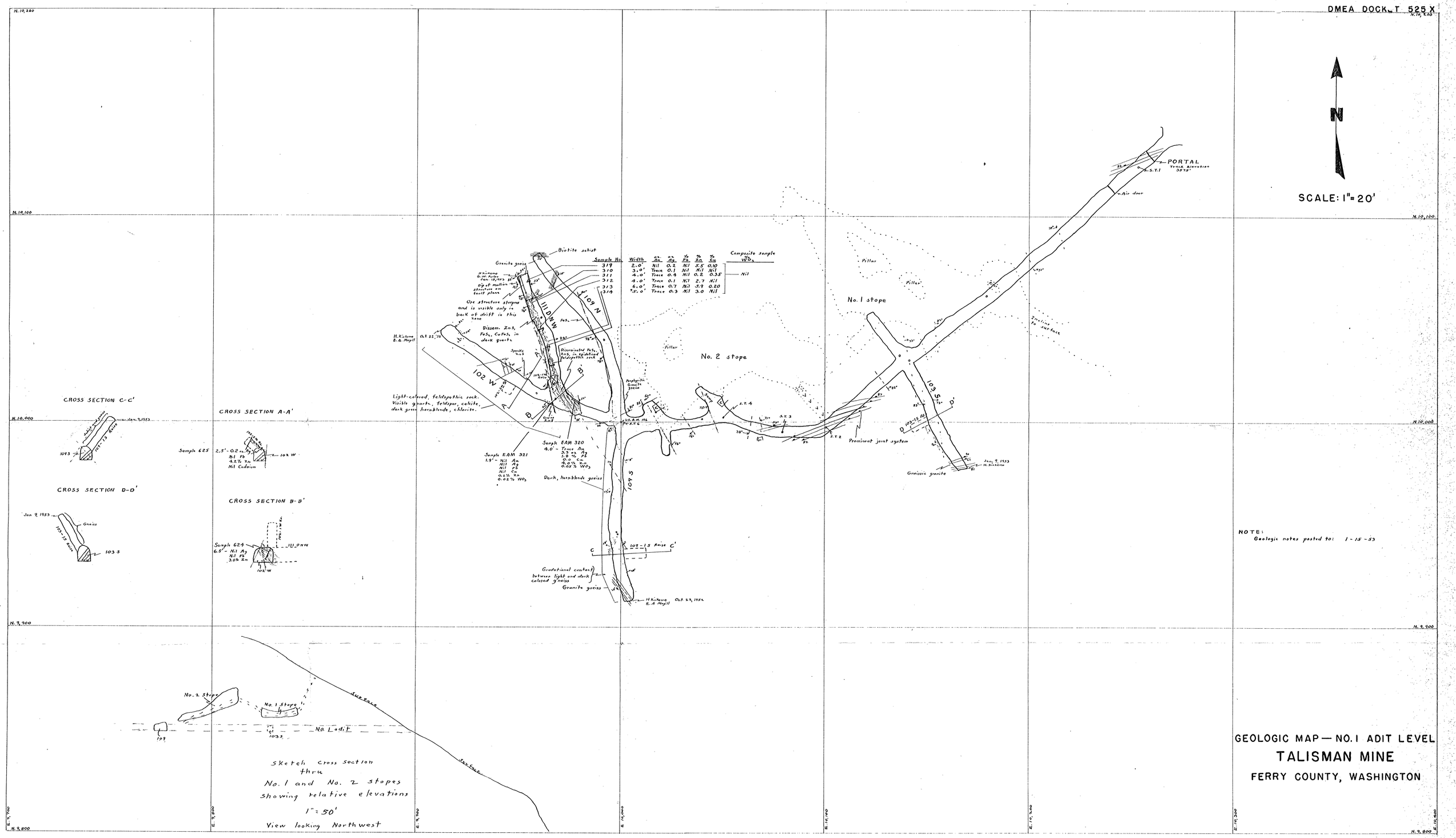


MAP SHOWING HOLDINGS OF

TALISMAN MINING & LEASING CO.

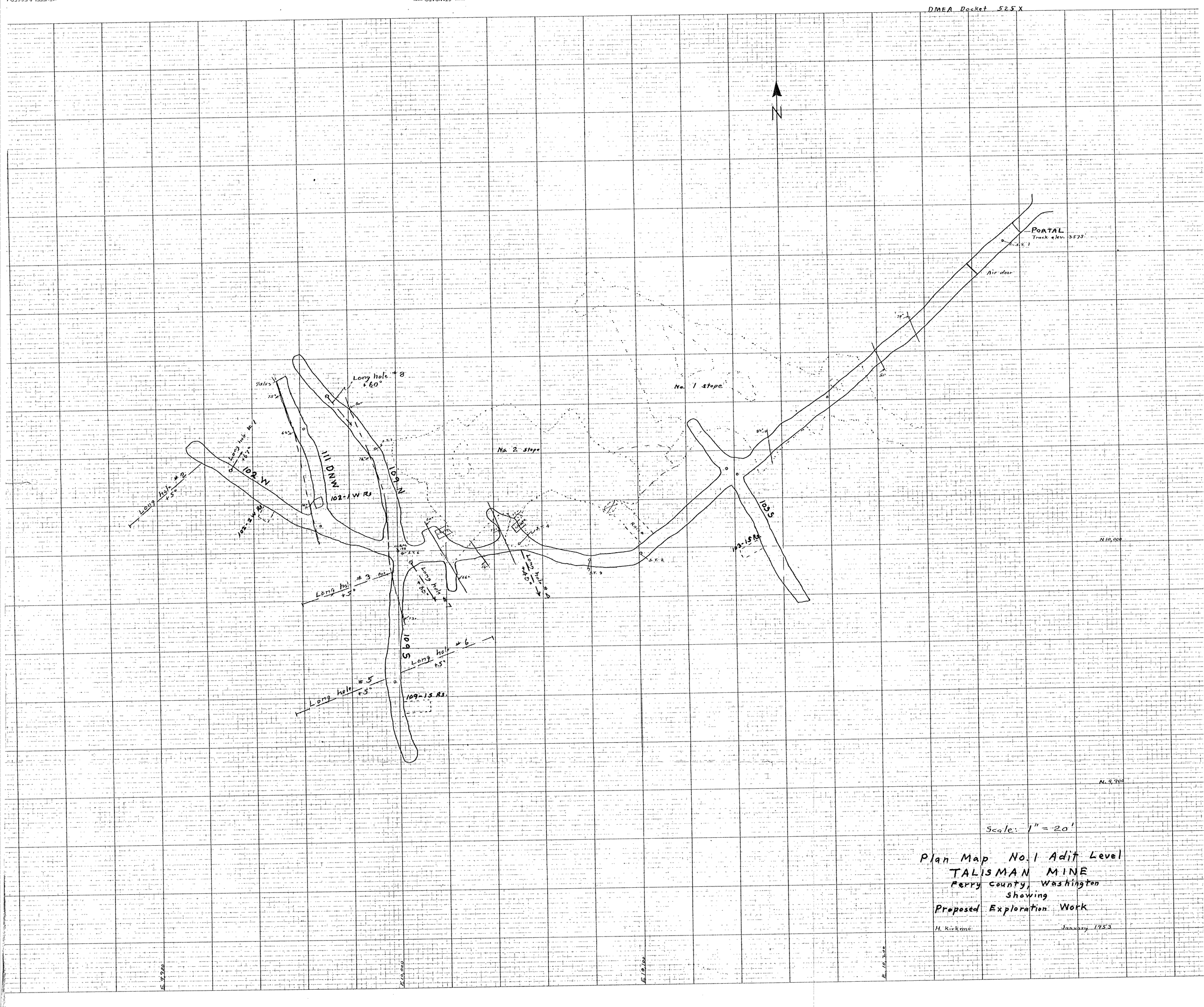
SITUATED 1 MILE SOUTH WEST OF LAURIER WASH. REPUBLIC MINING DISTRICT.
SURVEYED & PLATTED BY LEE ELLER. E.M., NOV. 1., 1944. SPOKANE, WASH.
SCALE $\frac{1}{2}$ INCH = 100 FEET.

NOTE - ALL COURSES ARE MAGNETIC BEARINGS.


N.10,200
N.10,100
N.10,000
N.9,900
N.9,800
E.9,700
E.9,800
E.9,900
E.10,000
E.10,100
E.10,200
E.10,300
E.10,400
SCALE: 1" = 20'
PORTAL
Trace, Elevation 38.72'
S.T.1
Air door
Pillar
No. 1 stope
No. 2 stope
Prominent joint system
Gneissic granite
Jan. 9, 1953
H. Kirkemo
Trailing to slate face
S.T.2
S.T.3
S.T.4
103 S
D
D'
103-13 Raise
Biotite schist
Granite gneiss
H. Kirkemo
Jan. 19, 1953
Dip of mullion structure on fault plane
Ore structure stopped and is visible only in back of drift in this zone
111 DNW
109 N
FeS2
Dissem. ZnS, FeS2, CuFeS2 in dark quartz
H. Kirkemo
E.A. Magill
Oct. 22, '52
Sparsely FeS2
Disseminated FeS2, ZnS, in recrystallized feldspathic rock
102 W
A
B
Light-colored, feldspathic rock. Visible quartz, feldspar, calcite, dark green hornblende, chlorite.
Porphyritic Granite gneiss
Quartz Vein
Sample EAM 320
4.0' - Trace Au
3.3 oz. Ag
1.8 % Pb
0.0 % Cu
9.0 % Zn
0.05 % WO3
Sample EAM 321
1.9' - Nil Au
Nil Ag
Nil Pb
Nil Cu
0.2 % Zn
0.02 % WO3
Dark, hornblende gneiss
109 S
C
C'
109-15 Raise
Gradational contact between light and dark colored gneiss
Granite gneiss
Composite sample WO3
Nil
Sample No. | Width | oz. Au | oz. Ag | % Pb | % Zn | % Cu
319 | 2.0' | Nil | 0.2 | Nil | 5.5 | 0.10
310 | 3.0' | Trace | 0.1 | Nil | Nil | Nil
311 | 4.0' | Trace | 0.4 | Nil | 0.2 | 0.3.5
312 | 4.0' | Trace | 0.1 | Nil | 2.7 | Nil
313 | 6.0' | Trace | 0.7 | Nil | 5.9 | 0.20
314 | 5.0' | Trace | 0.3 | Nil | 3.0 | Nil
CROSS SECTION C-C'
Jan. 9, 1953
Gneiss
103-13 Raise
103 S
CROSS SECTION D-D'
Jan 9, 1953
Gneiss
103-13 Raise
103 S
CROSS SECTION A-A'
Sample 625
2.5' - 0.2 oz. Ag
Nil Pb
4.2% Zn
Nil Cadmium
102 W
CROSS SECTION B-B'
Sample 624
6.5' - Nil Ag
Nil Pb
3.0% Zn
111 DNW
102 W
No. 2 Stope
No. 1 Stope
No. 1 adit
109
103 S
Surface
Sketch cross section thru No. 1 and No. 2 stopes showing relative elevations
1" = 50'
View looking Northwest
NOTE:
Geologic notes posted to: 1-15-53
GEOLOGIC MAP — NO. 1 ADIT LEVEL
TALISMAN MINE
FERRY COUNTY, WASHINGTON

KEUFFEL & ESSER CO.
NEW YORK
TRADE STANDARD MARK
RED U.S. PAT. OFF.
CROSS SECTION 10 X 10
LOCK RAG PAPER
MADE IN U.S.A.
KEUFFEL & ESSER CO.
NEW YORK

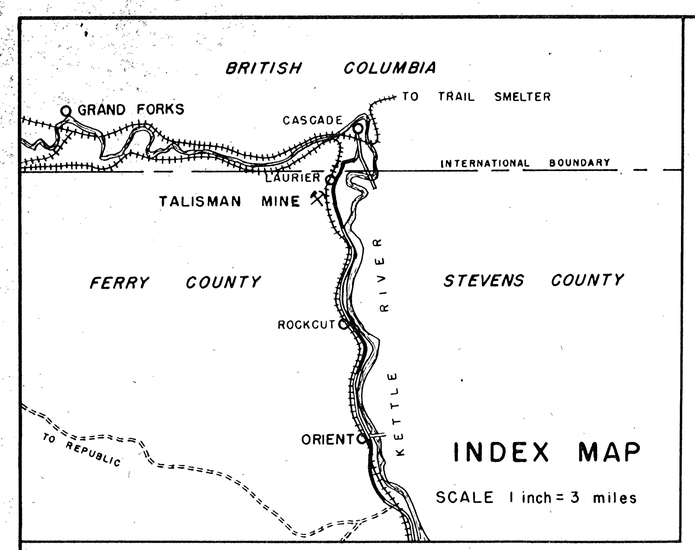
DMEA Docket 525 X



Scale: 1" = 20'

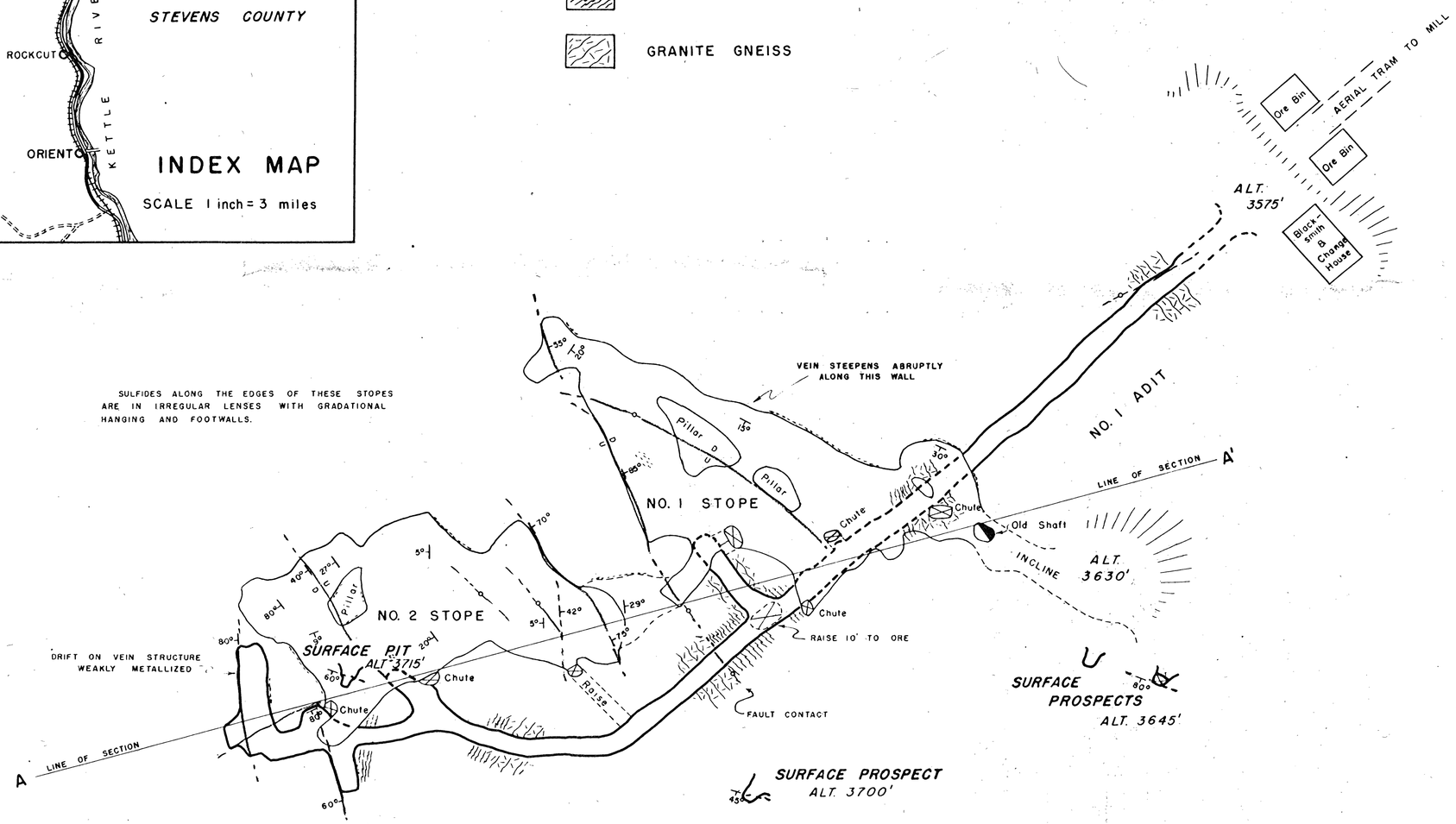
Plan Map No. 1 Adit Level
TALISMAN MINE
Perry County, Washington
Showing
Proposed Exploration Work

H. Kirkemo January 1953



LEGEND

- ORE – OBSERVED SULFIDES
- HORNBLENDE GNEISS
- GRANITE GNEISS



N

SCALE 1 in = 20 ft

BRUNTON TAPE SURVEY

Note - At a reported altitude of 3325' there is an unsurveyed adit which extends beneath these workings.

Note - Surface Prospects are adopted from a tracing by Lee Eller 12-28-50

COMPOSITE PLAN LEVELS & STOPES

Bureau of Mines

TALISMAN MINE

FERRY COUNTY, WASHINGTON

ENG'R	DATE DECEMBER 1950
TRACED	
CHECKED	