So. 157 Howard Street
Spokane, Washington 99204
January 4, 1965

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: IMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract IDm-E436

This refers to your memorandum of December 24, 1964, relative to control of the subject property.

Magill talked to Galbreath who told him that the property is presently controlled by the owners who have not re-leased it since it reverted to them. There has been no production since November 1956. The address of the owners is:

Maurice F. Galbreath
14727 - 35th Avenue N.E.
Seattle, Washington

D. R. MacLaren

cc: CFF

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

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-E436, Docket DMEA-2341 (copper), dated November 6, 1952, with

Western States Copper & Uranium Corp.
(formerly Western States Copper Corporation)
2366 East Lake E.
Seattle, 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 Rainy Mine located in King County, Washington, during the period April 14, 1960, through September 9, 1963.

A certification of discovery or development was issued on October 3, 1955, and, in accordance with Annex I (attached to and a part of Amendment No. 4) of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 13 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. A Report of Review dated May 21, 1956, indicated accepted costs under the exploration contract amounting to $10,830.00 with the Government's contribution on a 50 percent basis being $5,415.00.

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

This review found 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 April 13, 1960, to be $40,093.28. The royalty account as of April 13, 1960, was:

Total Royalty Payable	$2,004.66
Total Royalty Paid	2,004.66
Balance of Royalty Due	$ -0-

As of September 9, 1963, the royalty account of this project was found to be:

Total Royalty Payable	$2,004.66
Total Royalty Paid	2,004.66
Balance of Royalty Due	$ -0-

September 18, 1963

E. D. Talbert, OME Auditor

Idm-K436 Western States Copper & Uranium Corp. DMEA-2341

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract as amended provides that the Operator, as principal if the producer or as surety if not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land thereunder. The land consists of 4 unpatented claims (Poncho Fraction, Rainy, Westacop, and Rainy Fraction) located in sec. 16, T. 24 N., R. 10 E., W.M., Snoqualmie mining district. The contract recites that the Operator was in possession as lessee; however, the requirement for an Owner's Consent to Lien was waived by the Government.

Exploration work under the contract ceased in July 1954 and was terminated effective September 23, 1954, by an agreement dated November 18, 1955. During the exploration period and thereafter to the date of the certification of discovery or development, the Operator sold 167.2085 SDT of ore and concentrates, on which the proceeds subject to royalty aggregated $10,563.92. The Operator, however, failed to pay the Government's royalty of $528.19 and the matter was referred to the Attorney General of the United States on August 29, 1956. This delinquency subsequently was fully liquidated in April 1959 by monthly payments starting in January 1958 by the Northwestern Realty Company, 500 Wall Street, Seattle 1, Washington.

During the remainder of 1955 the Operator shipped 41.515 SDT of ore and concentrates with proceeds of $4,206.63, on which royalties amounting to $210.33 were remitted by the purchaser, the Tacoma Smelter of the American Smelting and Refining Company. From July through November 1956 a sub-lessee, H & R Company, 2121 Everett Avenue, Everett, Washington, shipped to the Tacoma Smelter 159.475 SDT of ore and concentrates with proceeds of $25,322.73 subject to royalty. The Government's royalty of $1,266.14 was paid by the Operator out of its 10% royalty.

All shipments of production by both the Operator and the sub-lessee are covered by a Royalty Audit Report and Certificate dated May 21, 1956, and a Report of Royalty Review dated April 13, 1960. Examinations of the property and inquiries by DMEA and OME regional representatives revealed no activity on the property from November 1956 to December 8, 1961, except the diamond drilling of six exploratory holes by the Anaconda Copper Company in 1957 and annual assessment work thereafter. In replies to MME Form 63 inquiries the Operator has advised that neither production nor change in property status occurred from December 8, 1961, through September 9, 1963.

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 production since the date of the contract has 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.

CAAA Div., OME

EXTRA COPY
O. M. E
RECEIVED SEP 25 1963
DATE | CODE
800

So. 157 Howard Street
Spokane, Washington 99204
September 25, 1963

Air Mail

Memorandum

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

From: Acting Field Officer, OME, Region I

Subject: DMEA-2341 (Copper)
Western States Copper & Uranium Corp.
Rainy Mine
King County, Washington
Contract Bm-3436

There is enclosed a Report of Royalty Review dated September 18, 1963, 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 Rainy Mine located in King County, Washington, during the period April 14, 1960, through September 9, 1963.

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

D. R. MacLaren

Enclosure

MLSmelser:mls
cc: CAAA Div., OME
OME
Reading copies to:
Nolan
Kiilsgaard

1963

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2341 (Copper)
Western States Copper & Uranium Corp.
Rainy Mine
King County, Washington
Contract Idm-E436

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 Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240; 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 9-18-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Executive Officer, Region 1, Spokane, Washington, pertaining to Contract No. Idm-2434, Docket No. DMRA-2343 (Copper), dated November 6, 1952, with

Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Rainy Mine located in King County, Washington, during the period May 17, 1956, through April 13, 1960.

A certification of discovery or development was issued on October 3, 1952, and, in accordance with Amendment No. 4 of the contract royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 13 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. A Report of Review in lieu of final cost audit dated May 21, 1956, indicated accepted costs under the exploration contract amounting to $10,850.00 with the Government's contribution, on a 50 percent basis, being $5,425.00.

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

This review established the total sales of copper concentrates for the period to be $29,322.75. Royalty due the Government at rates specified in the contract is $1,266.34.

A prior royalty audit report dated May 21, 1956, found the sales subject to Government royalty through May 16, 1956, to be $14,770.53 which added to the sales for this subsequent period make a total of $40,093.28. The royalty account as of May 16, 1956, was:

Total Royalty Due	$ 738.52
Total Royalty Paid	210.33
Balance of Royalty Due	$ 528.19

At April 13, 1960, the royalty account of this project was found to be:

Total Royalty Due	$2,004.66
Total Royalty Paid	2,004.66
Balance of Royalty Due	$ -0-

C. E. Fisher

April 13, 1960

C. E. Fisher, OME Auditor

Idm-2436 Western States Copper Corporation DMEA-2341

SCOPE OF REVIEW AND REASONS THEREFOR

My review included a tabulation and computation of copies of settlement sheets from American Smelting and Refining Company, Tacoma Smelter, covering sales by H & R Company, lessees of the property, submitted in support of royalty payments applicable to production by that company during the period (May to November 1956) it operated the property. A summary of sales and royalty due and paid by such lessee to date follows:

Item	H & R Company Quantity	H & R Company Value	Totals to date Quantity	Totals to date Value
Concentrates	159.4750 SDT		368.1985 SDT	
Contents:				
Gold	54.401 oz.	$ 1,731.06	91.759 oz.	$ 2,919.67
Silver	1,912 oz.	1,647.88	3,345 oz.	2,846.84
Copper	71,715 lbs.	24,793.33	121,662 lbs.	39,912.75
Gross value		$28,172.27		$45,679.26
Less: Smelter charges		2,849.54		5,585.98
Net value		$25,322.73		$40,093.28
Royalty due @ 5%		$ 1,266.14		$ 2,004.66

The last sale included in the above tabulation was covered by settlement lot No. 3576, settled November 15, 1956.

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

(1) There has been no production from the property since November, 1956;

(2) Semi-annual inspection reports by representatives of the Field Team, Region 1, and other documents in the files indicate that all production to date has been reported and proper royalty paid to the Government; 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.

MME Form 22
April 1959

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Western States Copper Corporation

Address 5905 Phinney Avenue

Seattle, Washington

Exploration Contract No. Idm-E436 Docket No. DMEA-2341

		Check One Yes	Check One No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		
	(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?		
	(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?		
5.	Do you consider that the manner of disposing of production gives the Government its fair royalty returns?		
6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?		
7.	Does the Operator buy from or sell to other Operators?		
8.	Comment on any item 2 (b) to 6 if answer is No.		

There has been no production from this property since November 1956.

April 13, 1960
Date

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

53362

EXTRA COPY O. M. E RECEIVED MAY 16 1960		
DATE	INITIALS	CODE
		800

South 157 Howard Street
Spokane 4, Washington
May 12, 1960

Mr. Charles Sisenvine
Northwestern Realty Co.
500 Wall Street
Seattle 1, Washington

Re: Docket No. DMEA-2341 (Copper)
Western States Copper & Uranium Corp.
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Sisenvine:

For your information and files is enclosed a copy of a Report of Royalty Review dated April 13, 1960, on sales of minerals from the property referred to as the Rainy mine located in King County, Washington, during the period May 17, 1956, through April 13, 1960.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosure

cc: Fiscal Section w/orig. Report of Royalty Review
Contract Admin. & Audit Div., OME
OME(2)
USBM w/Thermofax copy of report
DRF

EDTalbert, OME

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

MAY 7 1959

Honorable William E. Rogers
Attorney General
Washington 25, D. C.

Dear Mr. Attorney General:

We have recently received a check in final settlement of the balance of royalty due from Western States Copper and Uranium Corporation under Contract No. Idm-436, Docket No. DMEA-2341, together with a copy of Receipt No. 72453 issued by the United States Attorney for the Western District of Washington, his Claim No. 1400, DJ File No. 77-82-686.

We wish to thank you and your attorneys for the fine service in this case.

Sincerely yours,

Edmund J. Fritz

DEPUTY Solicitor

CEFisher/ama
May 4, 1959

Copy to: Solicitor's Docket
OME Docket
Director's Reading File, OME
Acting Director, OME
WRGriswold, OME
JLHofflund
EDTalbert, OME
OME Field Team, Region I (2)

For Certificate of Deposit No. 506, dated May 15, 1959, giving royalty payment of $78.19, see E-152.

MAY 4 1959

Memorandum

To: Executive Officer, OME Field Team, Region I

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

Subject: Docket No. DMEA-2341 (Copper)
Western States Copper & Uranium Corporation
Contract No. Idm-2436

Enclosed herewith is Check No. 6026, dated April 25, 1959, amount $78.19, drawn by Northwestern Realty Co., on the Seattle-First National Bank of Seattle, Washington, payable to U. S. Attorney's Office, together with duplicate copy of Receipt No. 72453 issued by the Office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as final payment of the delinquent royalty account of Western States Copper & Uranium Corporation.

Enclosures

CEFisher/ama
May 4, 1959

Copy to: Docket
Director's Reading File
CA & A Division

For Certificate of Deposit No. 501, dated April 3, 1959, giving royalty payment of $45.00, see E-152.

MAR 23 1959

Memorandum

To: A. R. [illegible], Executive Officer, Air Field Term, Region 2

(Signed) J. L. Chambers

From: Jay L. Chambers
Contract Administration and Audit Division

Subject: Contract No. [illegible] (Original)
Northern Studies Support & Education Corporation
Contract No. [illegible]

Enclosed herewith is Check No. [illegible], dated March 17, 1959, amount $[illegible], drawn by Northwestern Bank Co., of the Establishment National Bank of Washington, Washington, D. C., payable to U. S. Treasury, together with Treasury Check [illegible] in the amount of [illegible] issued by the Office of United States Attorney, Western District of Washington.

Will you please arrange the deposit of this check as a credit to the Subsequent refunds account of Northern Studies Support & Education Corporation.

Enclosures

Chambers/[illegible]
March 23, 1959

cc: Decimal
Director's Reading File
Mr. Chambers

For Certificate of Deposit No. 497, dated March 10, 1959, giving royalty payment of $45.00, see E-152.

MAR 3 1959

Mr. J. E. Weisenborn
Executive Officer
Air Field Info, Region 2
North 157 Howard Street
Spokane 4, Washington

Re: Docket No. [illegible] (Copper)
Northern Pacific Copper & Uranium Corp.
Inky Mine
King County, Washington
Contract No. [illegible]

Dear Mr. Weisenborn:

Enclosed herewith is check No. [illegible], dated February 26, 1959, amount $[illegible], drawn by Northwestern Mining Co., to the Franklin-First National Bank of Seattle, Washington, payable to U. S. Treasurer, together with duplicate copy of Receipt No. [illegible] issued by the Office of United States Attorney, Eastern District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Northern Pacific Copper & Uranium Corporation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administrator
Oil and Gas Division

Enclosure

CHAMBERS:jmc
March 3, 1959

cc: Docket
Principal's Reading File
Mr. Chambers

E-436

For Certificate of Deposit No. 496, dated March 2, 1959, giving royalty payment of $45.00, see E-184.

FEB 16 1959

Mr. A. E. Weisenborn
Executive Officer
GSE Field Team, Region X
South 137 Howard Street
Spokane 4, Washington

Re: Docket No. DGA-2143 (Oregon)
Western States Copper & Uranium Corp.
Valley Mine
King County, Washington
Contract No. [illegible]

Dear Mr. Weisenborn:

Enclosed herewith is Check No. 7525, dated February 20, 1959, amount $45.00, drawn by Northwestern Realty Co., on the U. S. Treasury, together with duplicate copy of Receipt No. [illegible] issued by the Office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper & Uranium Corporation.

Sincerely yours,

(Signed) J. L. Chambers

J. L. Chambers
Contract Administration
and Audit Division

Enclosures

GMcCarthy/GMcC
February 13, 1959

cc: Docket
Director's Reading File
Mr. Chambers

E-436

For Certificate of Deposit No. 493, dated February 2, 1959, giving royalty payment of $45.00, see E-41.

JAN 20 1959

Mr. A. E. Weissenborn
Executive Officer
OSE Field Team, Region I
South 137 Howard Street
Spokane 4, Washington

Re: Docket No. [illegible]-[illegible] (Copper)
Western States Copper & Uranium Corp.
Valley Mine
Stevens County, Washington
Contract No. [illegible]

Dear Mr. Weissenborn:

Enclosed herewith is Check No. [illegible], dated January 12, 1959, amount $45.00, drawn by Weissenborn Bailey Co., on the Seattle First National Bank of Seattle, Washington, payable to U. S. Treasury, together with duplicate copy of Receipt No. [illegible] issued by the Office of United States Attorney, Eastern District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper & Uranium Corporation.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert
Contract Administration
and Audit Division

Enclosures

GMcCarthy/GMC
January 20, 1959

cc: Docket
Director's Reading File
Mr. Chambers

QUADRUPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

1/9/59 (Date sent)

14-23-020-489 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9020

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Portland, Oregon

Deposited with Federal Reserve Bank of San Francisco, Portland Branch, Oreg.
(Name and location of depositary)

(3) The Sum of $1,969.56

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$1,969.56		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
Dorothy F. Long, Authorized Collector
U. S. Bureau of Mines
1201 N. Division Street
Spokane 2, Washington

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

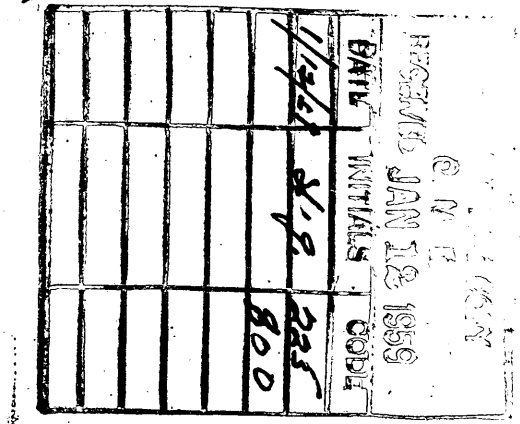
(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor.

E781	Mrs. Jennie M. Moore	$ 201.06
E964	Northwest Uranium Mines	1,723.50
E436	Western States Copper	45.00



EXTRA COPY
O. M. E.
RECEIVED JAN 12 1959

DATE	INITIALS	CODE
		800

No. 157 Howard Street
Spokane 4, Washington
January 5, 1959

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

Re: Docket No. 1UEA-2541 (Copper)
Western States Copper & Uranium Corp.
Rainy Mine
King County, Washington
Contract No. 1Ln-3436

Dear Mrs. Long:

Attached is Check No. 5017, dated December 17, 1958, for $45.00 drawn by Northwestern Realty Co. on the Seattle-First National Bank of Renton, Washington, which was received from the Western States Copper & Uranium Corp. through our Washington office, together with a copy of Receipt No. 70083 from the U. S. Attorney, Western District of Washington, covering a payment of back royalties--the balance now due is $258.19. Also attached is a copy of a letter, dated December 29, 1958, from C. E. Fisher for Jay L. Chambers, Director, Contract Administration and Audit Division, Washington, D. C., transmitting this check to our office.

Sincerely yours,

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

Attachments as indicated
cc: Operator
c/o Charles Kinnavine
5005 Fahway Ave.
Renton, Washington

U. S. Attorney
Western District of Wash.
Seattle, Wash.
DJ File No. 77-Ep-606
Claim No. 1400

OME(2) w/encls.
OMM(2)
CFF

STANDARD FORM 64
Office Memorandum
UNITED STATES GOVERNMENT
TO :
FROM :
SUBJECT :
DATE :

None

DEC 29 1958

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5617, dated December 17, 1958, amount $45.00, drawn by Northwestern Realty Co., on the Seattle-First National Bank of Seattle, Washington, payable to U. S. Treasurer, together with duplicate copy of Receipt No. 70083 issued by the Office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

/s/ C. E. Fisher

for Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

CEFisher/ama
December 29, 1958

Copy to: Docket
Director's Reading File
Mr. Chambers

For Certificate of Deposit No. 480, dated November 4, 1958, giving royalty payment of $45.00, see E-9.

Mr. A. E. Weissenborn
Executive Officer
OGC Field Team, Region I
North 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Ida-1436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5612, dated October 15, 1958, amount $45.00, drawn by Northwestern Realty & Brokerage Co., on the Pacific National Bank of Seattle, Washington, payable to U. S. Attorney, together with duplicate copy of Receipt No. 32379 issued by the office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

GEFisher/ama
October 27, 1958

Copy to: Docket
Director's Reading File
Mr. Chambers

E-436

For Certificate of Deposit No. 464, dated July 3, 1958, giving royalty payment of $45.00, see E-9.

No. 157 Howard Street
Spokane 4, Washington
June 23, 1958

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

JUL 3 1958
(Dispatched)

Re: Docket No. DMEA-2341 (Copper)
Western States Copper & Uranium Corp.
Rainy Mine
King County, Washington
Contract No. Idm-8436

Dear Mrs. Long:

Attached is Check No. 5462, dated May 30, 1958, for $45.00 drawn by Northwestern Realty & Brokerage Co. on The Pacific National Bank (University Branch) of Seattle, Washington, which was received from the Western States Copper & Uranium Corp. through our Washington office, together with a copy of Receipt No. 76179 from the U. S. Attorney, Western District of Washington, covering a payment of back royalties -- the balance now due is $348.19. Also attached is a copy of a letter, dated June 16, 1958, from Mr. Jay L. Chambers, Director, Contract Administration and Audit Division, Washington, D. C., transmitting this check to our office.

Sincerely yours,

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

Attachments as indicated
cc: Operator
c/o Charles Sissenvine
5905 Phinney Ave.
Seattle, Washington

U. S. Attorney
Western District of Wash.
Seattle, Wash.
DJ File No. 77-82-686
Claim No. 1400

[illegible]

ATTACHMENTS
[illegible]
BY
[illegible]
[illegible]

USA-200
(Rev. 5-56)
Approved by
Comptroller, U. S.

DEPARTMENT OF JUSTICE

Office of United States Attorney

Western District of Washington

Receipt No. 76179

CLAIM 1400

Claim Against: Western States Copper & Uranium Corporation

U. S. Attorney's No.

Amount Received: Forty-five and No/100 Dollars ($ 45.00)

From: Northwestern Realty Co. 5905 Phinney Ave., Seattle

Agency & File No.	Principal	Interest	Costs	Balance
Dept. of the Interior Cont. Idm-E436, Dkt. BGSA-2341				$348.19

Type Claim	Amt. of Claim	DJ File No.		
Royalties - Minerals Exploration Project	$528.19	77-82-686 Govt. Claims Sec.	XX Pre-judgment ( ) Judgment ( ) Compromise	( ) Paid in full XX Partial Pay No. 4

Date: Contract

June 2, 1958

By JOSEPH C. McKIBBEN
Asst. U.S. Attorney

for UNITED STATES ATTORNEY

Duplicate—With Remittance

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5462, dated May 30, 1958, amount $45.00, drawn by Northwestern Realty & Brokerage Co., on the Pacific National Bank of Seattle, Washington, payable to U. S. Treasurer, together with duplicate copy of Receipt No. 76179 issued by the office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5462, dated May 30, 1958, amount $45.00, drawn by Northwestern Realty & Brokerage Co., on the Pacific National Bank of Seattle, Washington, payable to U. S. Treasurer, together with duplicate copy of Receipt No. 76179 issued by the office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CEFisher/ama
June 16, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

For Certificate of Deposit No. 452, dated April 11, 1958, giving royalty payment of $45.00, see E-152.

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Ida-E436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5361, dated March 25, 1958, amount $45.00, drawn by Northwestern Realty & Brokerage Co., on the Pacific National Bank of Seattle, Washington, payable to U. S. Treasurer, together with duplicate copy of Receipt No. 76101 issued by the office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosures

CEFisher/aaa
March 31, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

E-436

For Certificate of Deposit No. 447, dated March 11, 1958, giving royalty payment of $45.00, see E-152.

For Certificate of Deposit No. 440, dated February 4, 1958, giving royalty payment of $45.00, see E-152.

MAR 3 1958

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-5436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5323, dated February 25, 1958, amount $45.00, drawn by Northwestern Realty & Brokerage Co., on the Pacific National Bank of Seattle, Washington, payable to U. S. Treasurer, together with duplicate copy of Receipt No. 76066 issued by the office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

CEFisher/sma
March 3, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

JAN 28 1958

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-R436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5284, dated January 22, 1958, amount $45.00, drawn by Northwestern Realty & Brokerage Co., on The Pacific National Bank of Seattle, Washington, payable to Treasurer of the United States, together with duplicate copy of Receipt No. 71972 issued by the office of United States Attorney, Western District of Washington.

Will you please arrange for deposit of this check as a credit to the delinquent royalty account of Western States Copper Corporation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

CEFisher/wb
January 28, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

SEP 20 1957

Mr. Charles P. Moriarty
United States Attorney
Western District of Washington
United States Court House
Seattle 4, Washington

Re: Docket No. DMFA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-2436

Dear Mr. Moriarty:

By letter dated September 9, 1957, your file reference JCM:mh, Claim 1400, addressed to Mr. A. E. Weissenborn, Executive Officer, DMFA Field Team, Region I, Spokane, Washington, you requested copies of the agreement by which Mr. Charles Sisservine guaranteed the payment of royalty to the United States under the referenced contract.

Enclosed are two photostatic copies of the guaranty executed by Mr. Sisservine on October 11, 1952. This guaranty was accepted in lieu of an Owner's Consent to Lien, which is normally required as a prerequisite to the award of an exploration project contract, and which in this case the owners of the land refused to execute.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosures-2

EDTalbert/wb
September 18, 1957

Copy to: Docket
Admr. Reading File
Reg. I. Fld. Tm. (2) w/two cys. guaranty
Mr. Chambers

EXTRA COPY
D M E A
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington

Air Mail

September 12, 1957

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corp.
Rainy & Rainy Claims
King County, Washington
Contract No. Idm-E436 (Terminated)

Dear Mr. Selfridge:

Enclosed are two copies each of a self-explanatory letter dated September 9, 1957, from Joseph C. McKinnon, Assistant U. S. Attorney, and our reply.

According to our files, in a letter dated July 22, 1952, Mr. Sisenvine did state "As President of the Western States Copper Corporation and/or individual, I am willing to accept this liability." Subsequent correspondence, however, indicates that this was not acceptable to the Government. A letter dated October 1, 1952 from Ernest Wm. Ellis, Chief, Rare and Misc. Metals Division, refers to a guaranty of royalty payments, signed by Western States Copper Corporation, Charles Sisenvine, President. We do not have a copy of this guaranty. Mr. Ellis then states that some changes will be required in this guaranty, and asks for answers to five specific questions. The letter closes with a statement to the effect that a decision whether or not to substitute the applicant's guaranty for the usual Owner's Consent to Lien will depend upon the information received.

There is nothing further in our files regarding this question until a letter dated November 6, 1952 from Frank E. Johnson, Chairman of the Operating Committee, forwarding the original and five copies of a contract. This letter states that, ". . it has been decided to waive the Owner's Consent to Lien."

Perhaps Mr. McKinnon is referring to the guaranty. If it was executed, could he be sent a copy.

Sincerely yours,

D. R. MacLaren
Alternate Acting Exec. Officer
DMEA Field Team, Region I

Enclosures

cc: USBM (2)
USBM (AD)

EXTRA COPY
DMEA
RECEIVED SEP 16 1957
DATE | INITIALS | CODE

Rm. 157 Howard Street
Spokane 4, Washington

September 12, 1957

Mr. Joseph C. McKinnon
Assistant United States Attorney
Western District of Washington
United States Courthouse
Seattle 4, Washington

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corp.
Rainy and Rainy claims
King County, Washington
Contract No. Idm-5436 (Terminated)

(U. S. Attorney Claim No. 1400)

Dear Mr. McKinnon:

In reply to your letter of September 9, 1957, I have gone through our files in Spokane searching for an agreement whereby Mr. Sisservine personally guaranteed payment of royalty which might become due the Government as a result of the DMEA contract.

The only thing approaching such an agreement is a letter dated July 22, 1952, in which Mr. Sisservine states a willingness to accept the responsibility. For your information, a copy of this letter is enclosed. However, subsequent correspondence in our files indicates quite clearly that this offer was not acceptable to the Government. There is also some mention of another agreement but we have no copy of it in our files.

I am forwarding your letter to Mr. George Selfridge, Chairman of the Operating Committee, for further reply.

Sincerely yours,

D. R. MacLaren
Alternate Acting Exec. Officer
DMEA Field Team, Region I

Enclosure

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

[illegible] 1400

United States Department of Justice

UNITED STATES ATTORNEY
WESTERN DISTRICT OF WASHINGTON
UNITED STATES COURT HOUSE
SEATTLE 4, WASHINGTON

mac
al

USAM cc
DMEA

September 9, 1957

Mr. A. E. Wallenberg
Executive Officer
DMEA Field Exp. Region I
Northwest Districts
South 157 Howard Street
Spokane 4, Washington

Re: Western States Copper Corporation, Seattle, Washington; $528.19, balance of royalties due as of May 16, 1956, under minerals exploration project contract
U. S. Attorney Claim No. 1400

Dear Sir:

We understand that Mr. Charles Sisenvine personally guaranteed the payment of the sums which would become due to the United States under the contract. We do not have any copies of the agreement signed by Mr. Sisenvine.

It appears that it will be necessary to commence suit to recover the $528.19 presently due. We propose to join Mr. Sisenvine as a defendant in the suit if the agreement justifies such procedure. We would appreciate receiving one of the signed copies of the guaranty or indemnity agreement executed by Mr. Sisenvine.

Very truly yours,

CHARLES P. MORIARTY
United States Attorney

JOSEPH C. McKINNON
Assistant United States Attorney

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
	RECEIVED	
	SEP 10 1957	

U. S. C. S.
SPOKANE, WASH

[redacted]24[redacted]

WESTERN STATES COPPER CORPORATION

5905 PHINNEY AVENUE · SEATTLE 3, WASHINGTON · TELEPHONE HEMLOCK 6800
HEMLOCK 6801
DEXTER 3252

July 22, 1952

U. S. Dept. of Interior
Glenn C. Reed, Mining Engineer
Mining Division, Region II
1201 N. Division Street
Spokane, 2, Washington

Subject: Exploration application, Western States Copper Corp., King County, Washington.
Docket DMEA 2341 (Copper)

Dear Mr. Reed:

In receipt of your letter of July 15, 1952, the "Rainy Claim" which we are leasing and upon which the exploration work will be done is recorded in Book 16, Page 131, Records of King County Washington. There are 5 additional claims, which Western States Copper Corporation holds in their own name, adjacent to the "Rainy Claim", but the proposed work will not be done on them.

Regarding form MF-203; One of the Lessors, a local Attorney is for some reason reluctant to sign this form. The individual I refer to, Mr. W. L. Grill, is a very difficult elderly man, and apparently has an antipathy toward involving himself in anything connected with the Government. The Lessors are agreeable, but of course, Mr. Grill's agreement is necessary also. I have been informed that there are alternate ways of dispensing with the "Owners Consent", which as the Lessee or as President taking personal liability for repayment of the loan. As President of the Western States ~~Copper Corporation~~ and/or individual, I am willing to accept this liability. My personal standing and references are excellent and I feel so confident about future of our development, that I will not hesitate to accept this future responsibility.

If this procedure is acceptable to you, please send me immediately whatever forms are required, or if not acceptable, tell me what we can do to obtain "Owners Consent". We are of course most anxious to have this application approved and to commence work.

Very truly yours

WESTERN STATES COPPER CORP.

Charles Sisenvine

Charles Sisenvine
President.

CS/e

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

AUG 29 1956

Hon. Herbert Brownell, Jr.
Attorney General
Washington 25, D. C.

My dear Mr. Attorney General:

There is submitted for appropriate action the matter of the Western States Copper Corporation, a Washington corporation, 9905 Phinney Avenue, Seattle 3, Washington, party to a minerals exploration project contract with the Government, administered by the Defense Minerals Exploration Administration of this Department. The contract is designated as Exploration Project Contract No. Idm-2436, Docket No. DMEA-2341, dated November 6, 1952.

In general, the contract provided that: (a) the Western States Copper Corporation (hereinafter referred to as the Operator) should prosecute a project of exploration for copper as outlined in Exhibit "A" of the contract and the amendments thereto; (b) the Government would pay the Operator for 50 percent of the agreed estimated costs for units of work performed, as set forth in Exhibit "A" of the contract; and (c), if the Government certified that a discovery or development resulted from the exploration work, the Operator should pay a percentage royalty on all minerals produced from the land described in Article 2 of the contract for a period of thirteen years from the date of the contract, or until the amount contributed by the Government is repaid, whichever occurs first. (Enclosure No. 1.)

An aggregate of $5,415.00 was paid to the Operator by the Government for units of work performed between November 6, 1952, the date of the contract, and September 23, 1954, the effective date of an agreement executed November 18, 1955, terminating exploration work under the contract. A certification of discovery or development was issued on October 3, 1955. (Enclosures Nos. 2 and 3.)

The Operator paid royalty to the Government on three sales of production made subsequent to the date of the certification of discovery or development; however, it has not paid royalty on twelve sales of production made prior to the date of the certification.

An audit of the Operator's sales records on May 16, 1956, by an auditor representative of the Administration confirmed our understanding that royalties due the Government aggregated $738.52, whereas the Operator had paid only the sum of $210.33, leaving a balance due the Government of $528.19 as of that date. Accordingly, by letter dated June 8, 1956, addressed to the Operator, the Administrator of the Defense Minerals Exploration Administration reviewed the matter of this indebtedness, summarized the number of demands for payment made by letter and informally, referenced the Operator's various promises in regard to settlement, and advised that unless payment of the $528.19 and any additional royalty on sales subsequent to May 16, 1956, was received by July 31, 1956, the matter would be referred to the Attorney General of the United States. (Enclosure No. 4.)

In a reply dated June 14, 1956, the Operator acknowledged the obligation to the Government of $528.19 and stated that more than likely the matter would be taken care of by July 31, 1956. In an acknowledgment of this reply dated June 20, 1956, the Administrator expressed the hope that payment would be made so that referral to the Attorney General would not be necessary. (Enclosures Nos. 5 and 6.) However, payment of the amount due has not been received. Therefore, it is requested that your Department take such action as you deem appropriate to recover the amount of $528.19 due the Government as of May 16, 1956.

The enclosures furnished with this letter are either photostats or copies of the original documents. If the United States Attorney who handles this case requires additional information, it may be requested of either A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington, or C. O. Mittenhorf, Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

Sincerely yours,

/s/ Edmund T. Fritz
Acting Solicitor

Enclosures

Copy to: Solicitor's Docket
DMEA Docket
Admr. Reading File, DMEA
Administrator, DMEA
WNGriswold, DMEA
RFDwyer
JLChambers, DMEA
Field Team, Region I NWD (2)

EDTelbert/wb 8-14-56

DRAFT 8/7/56
[illegible]albert/wb

Hon. Herbert Brownell, Jr.
Attorney General
Washington 25, D. C.

My dear Mr. Attorney General:

There is submitted for appropriate action the matter of the Western States Copper Corporation, a Washington corporation, 5905 Phinney Avenue, Seattle 3, Washington. The corporation is party to a minerals exploration project contract with the Government, administered by the Defense Minerals Exploration Administration of this Department. The contract is designated as Exploration Project Contract No. Idm-E436, Docket No. DMEA-2341, entered into under date of November 6, 1952.

In general, the contract provided that: (a) the Western States Copper Corporation (hereinafter referred to as the Operator) should prosecute a project of exploration for copper as outlined in Exhibit "A" of the contract and the amendments thereto; (b) the Government would pay the Operator for 50 percent of the agreed estimated costs for units of work performed, as set forth in Exhibit "A" of the contract; and (c), if the Government certified that a discovery or development resulted from the exploration work, the Operator should pay a percentage royalty on all minerals produced from the land described in Article 2 of the contract for a period of thirteen years from the date of the contract, or until the amount contributed by the Government is repaid, whichever occurs first. (Enclosure No. 1.)

An aggregate of $5,415.00 was paid to the Operator by the Government for units of work performed between November 6, 1952, the date of the contract, and September 23, 1954, the effective date of an agreement executed November 18, 1955, terminating exploration work under the contract. A certification of discovery or development was made on October 3, 1955. (Enclosure Nos. 2 and 3.)

The Operator paid royalty to the Government on three sales of production subsequent to the date of the certification of discovery or development; however, it has not paid royalty on twelve sales of production prior to the date of the certification. This indebtedness has been the subject of considerable correspondence between the Operator and the Defense Minerals Exploration Administration, with the Administration's demands for payment of the delinquent royalty resulting only in continual procrastination on the part of the Operator.

An audit of the Operator's sales records on May 16, 1956, by an auditor representative of the Administration confirmed that royalties earned by the Government aggregated $738.52, whereas the Operator had paid only the sum of $210.33, leaving a balance due the Government of $528.19 as of that date. Accordingly, by letter dated June 8, 1956, addressed to the Operator, the Administrator of the Defense Minerals Exploration Administration reviewed the matter of this indebtedness, and the Operator's numerous promises in regard to settlement, and advised that, unless payment of the $528.19 and any additional royalty on sales subsequent to May 16, 1956, was received by July 31, 1956, the matter would be referred to the Attorney General of the United States. (Enclosure No. 4.)

In a reply dated June 14, 1956, the Operator acknowledged the obligation to the Government of $528.19 and stated that more than likely the matter would be taken care of by July 31, 1956. In acknowledgement of this reply the Administrator expressed the hope that payment would be made so that referral to the Attorney General would not be necessary. (Enclosures Nos. 5 and 6.)

Payment of the amount due has not been received. Therefore, it is requested that your Department take such action as you deem appropriate to recover the amount of $528.19 due the Government as of May 16, 1956.

The enclosures furnished with this letter are either photostats or copies of the original documents. If the United States Attorney who handles this case requires additional information, it may be requested of either A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington, or C. O. Mittendorf, Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

Sincerely yours,

Solicitor

Copy to: Solicitor's Docket
DMEA Docket
Admr. Reading File, DMEA
Administrator, DMEA
WRGriswold, DMEA
JLChambers, DMEA
RPDwyer
Field Team, Reg. 1 NWD (2)

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

JUN 20 1956

Mr. Charles Sisserwine, President
Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

Re: Docket No. DMEA-2341 (Copper)
Rainy Mine
King County, Washington
Contract No. Idm-2436

Dear Mr. Sisserwine:

Receipt is acknowledged of your letter of June 14, 1956, in reference to my letter of June 8, 1956, advising you that, unless payment of delinquent royalty in the amount of $528.19, plus any additional royalty on sales subsequent to May 16, 1956, is received by July 31, 1956, the matter will be referred to the Attorney General of the United States.

I am pleased to note that you intend to settle this obligation before July 31, 1956. It is hoped that this payment will be made before that date so that referral of the matter to the Attorney General will not be necessary.

Sincerely yours,

G. O. Mittendorf

Administrator

EDTalbert/wb
June 19, 1956

Copy to: Docket
Admr. Reading File
Field Team Reg. I, NWD (2)
Administrator
Mr. Griswold
Mr. Chambers

Mr. Chambers

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

JUN - 8 1956

Mr. Charles Sisemvine, President
Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

Registered Mail
Return Receipt Requested

Re: Docket No. DMEA-2341 (Copper)
Rainy Mine
King County, Washington
Contract No. Idm-2436

Dear Mr. Sisemvine:

An audit on May 16, 1956, of the Corporation's sales records has confirmed that the Corporation owes the Government the amount of $528.19 in delinquent royalties under the provisions of the referenced exploration contract, as amended.

The matter of this indebtedness has been the subject of several letters addressed to you by the DMEA Field Team, Region I, Northwest District, Spokane, Washington. Your replies in each instance have indicated that payment would be made within a short time.

By letter dated October 25, 1954, the Field Team suggested that royalties be paid on the current production, and in a reply dated November 19, 1954, you advised that payment would be made upon issuance of a certification of discovery. Subsequently, in a letter dated November 26, 1954, transmitting Amendment No. 4 to the contract, the Field Team invited your attention to the requirement for payment of royalty regardless of certification.

During the ensuing ten months the obligation for payment of royalties was brought to your attention informally on several occasions by representatives of the Field Team, and, inasmuch as payment of royalties on past and current production was not being made, the Field Team demanded by letter dated September 15, 1955, that an accounting and payment be effected by October 17, 1955. In a reply dated September 17, 1955, you stated "As a matter of fact I would like to make full settlement and accounting when our current season of production is ended by winter snows, probably about December 1, 1955", although in the meantime, in a letter dated October 3, 1955, transmitting the certification of a discovery or development, I reminded you of the obligation to pay royalty on all production from the date of the contract.

The promise of settlement was not fulfilled, therefore, the matter was again called to your attention in the Field Team's letter of December 15, 1955, to which you replied under date of January 6, 1956, with the statement that "Certain year end expenses have created a temporary shortage of funds but I am sure the matter can be taken care of in the very near future." A thirty day deferment was granted by the Field Team's letter of January 11, 1956, but, since payment was not received the Field Team by letter dated April 5, 1956, again demanded payment.

In a reply under date of April 10, 1956, you request our indulgence until July when, you state, revenues are expected from shipments to be made by lessees. That this Administration has been most indulgent over a period of approximately eighteen months is indicated by the summary in the foregoing paragraphs of this review of your delinquency of royalty payment.

It is not within the authority of this Administration to postpone indefinitely such action as may be necessary to collect amounts properly due the Government. Accordingly, I must advise you that, unless payment of the $528.19 and also any additional royalty on sales subsequent to May 16, 1956, is received by July 31, 1956, it will be necessary to refer the matter to the Attorney General of the United States for appropriate action.

Sincerely yours,

G. O. Mittendorf

Administrator

EDTalbert/wb
June 5, 1956

Copy to: Docket
Admr. Reading File
Field Team Reg. I, NWD (2)
Administrator
Mr. Griswold
Mr. Chambers

DRAFT 6/4/56
ED[illegible]ert/wb

Mr. Charles Sisenvine, President
Western States Copper Corporation
9905 Phinney Avenue
Seattle 3, Washington

Re: Docket No. DMEA-2341 (Copper)
Rainy Mine
King County, Washington
Contract No. Idm-2436

Dear Mr. Sisenvine:

An audit on May 16, 1956, of the Corporation's sales records has confirmed that the Corporation owes the Government the amount of $528.19 in delinquent royalties under the provisions of the referenced exploration contract, as amended.

The matter of this indebtedness has been the subject of several letters addressed to you by the DMEA Field Team, Region I, Northwest District, Spokane, Washington. Your replies in each instance have indicated that payment would be made within a short time.

By letter dated October 25, 1954, the Field Team suggested that royalties be paid on the current production, and in a reply dated November 19, 1954, you advised that payment would be made upon issuance of a certification of discovery. Subsequently, in a letter dated November 26, 1954, transmitting Amendment No. 4 to the contract, the Field Team invited your attention to the requirement for payment of royalty regardless of certification.

During the ensuing ten months the obligation for payment of royalties was brought to your attention informally on several occasions by representatives of the Field Team, and, inasmuch as payment of royalties on past and current production was not being made, the Field Team demanded by letter dated September 15, 1955, that an accounting and payment be effected by October 17, 1955. In a reply dated September 17, 1955, you

stated "As a matter of fact I would like to make full settlement and accounting when our current season of production is ended by winter snows, probably about December 1, 1955", although in the meantime, in a letter dated October 3, 1956, transmitting the certification of a discovery or development, I reminded you of the obligation to pay royalty on all production from the date of the contract.

The promise of settlement was not fulfilled, therefore, the matter was again called to your attention in the Field Team's letter of December 15, 1955, to which you replied under date of January 6, 1956, with the statement that "Certain year end expenses have created a temporary shortage of funds but I am sure the matter can be taken care of in the very near future." A thirty day deferment was granted by the Field Team's letter of January 11, 1956, but, since payment was not received the Field Team by letter dated April 5, 1956, again demanded payment.

In a reply under date of April 10, 1956, you request our indulgence until July when, you state, revenues are expected from shipments to be made by lessees. That this Administration has been most indulgent over a period of approximately eighteen months is indicated by the summary in the foregoing paragraphs of the history of your delinquency in the payment of royalties properly due the Government.

It is not within the authority of this Administration to postpone indefinitely such action as may be necessary to collect amounts to properly due the Government. Accordingly, I must advise you that, unless payment of the $528.19 and also any additional royalty on sales subsequent to May 16, 1956, is received by July 31, 1956, it will be necessary to refer the matter to the Attorney General of the United States for appropriate action.

Administrator

QUINTUPLICATE

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

425 New U.S. Courthouse

LETTER OF TRANSMITTAL

Portland, Oregon

For credit of 420, Division of Disbursement, Portland, Oregon 1/28/57
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

DEPOSIT NO. 14-23-020-378

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

$ 2,863.69

for accounts listed below. SCHEDULE Nos.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-436	$2,863.69

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

Defense Minerals Exploration Administration
c/o U.S. Bureau of Mines
1201 N. Division St.
Spokane 2, Washington

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

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

Myrtle I. Purdy, Authorized Collector
(Depositor)

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 248 dated 1/[illegible]/57
Amount - $304.75
From: H. & R. Co.
Contract E436, Western States Copper Co.
Royalty receipt

Check No. 724 dated 1/15/57
Amount - $1,246.45
From: Bonanza Oil & Mine Corp.
Contract E510, Bonanza Oil & Mine Corp.
Royalty receipt

Check No. 3151 dated 1/10/57
Amount - $1,312.49
From: Contact Mining
Contract E688, Peter Antonioli
Royalty receipt

RECEIVED
JAN 22 1957
D.M.E.A.

For Certificate of Deposit No. 367, dated November 30, 1956, giving royalty payment of $118.88, see E-152.

For Certificate of Deposit No. 364, dated November 19, 1956, giving royalty payments of $66.30 and $58.03, see E-152.

For Certificate of Deposit No. 358, dated October 10, 1956, giving royalty payments of $92.32 and $153.49, see E-152.

For Certificate of Deposit No. 357, dated October 10, 1956, giving royalty payment of $163.96, see E-189.

For Certificate of Deposit No. 353, dated September 20, 1956, giving royalty payment of $145.95, see E-9.

QUINTUPLICATE

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

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-020-347

For credit of 425 New U.S. Court House
(Name, title, and disbursing or other identification symbol of accountable officer)
420 Division of Disbursement, Portland Oregon
6/15/56 (Date sent)

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

$ 379.13

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401	E-436	$379.13

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

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

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

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

(Depositor)
Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 80564, dated 7/3/56
Amount - $115.08
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 81071, dated 7/17/56
Amount - $100.46
From: American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 16644, dated 6/7/56
Amount - $1.13
From: Tacoma Smelter, American Smelting and Refining Co.
Contract E651, Centrida Mines, Inc.
Royalty receipt

Check No. 104, dated 8/11/56
Amount - $162.46
From: H & R Company
Contract E436, Western States Copper Corp.
Royalty receipt

RECEIVED
AUG 20 1956

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

JUN - 1 1956

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

Re: Royalty Report & Report of Review
Western States Copper Corporation
Contract Idm-E436, Docket DMEA-2341

Dear Mr. Fisher:

Receipt is acknowledged of your First Royalty Audit Certificate and Report of Review covering the above-cited project.

The Royalty Audit Report and the Report of Review are acceptable and normal distribution may be effected.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
June 1, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington

RECEIVED
JUN - 1 1956

May 25, 1956

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

Re: Docket No. DMEA-2341 (copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-8436

Dear Mr. Selfridge:

The Operator has made no payment of the delinquent royalties as requested in our letter to him dated April 5, 1956. We are accordingly referring this matter to Washington for appropriate action. Copies of the pertinent correspondence are enclosed.

Mr. C. E. Fisher recently made a royalty audit of this account. He confirmed the amount due as being $528.19.

By Field Team, Region I, NW District

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

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

Enclosures

cc: USGS (2)
USBM (AD)
Fisher

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

MAY 8 1956

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Bailey Mine
King County, Washington
Contract No. Idm-8436

Dear Mr. Fisher:

By letter dated April 5, 1956, the Field Team, Region I, Northwest District, advised the Operator of the referenced project that, unless payment was made within 30 days of delinquent royalties amounting to $528.19 "subject to audit", the matter would be referred to the Washington office for appropriate action.

This letter indicates that a royalty audit of this project should have priority, since the amount of delinquent royalty must be definitely established prior to possible referral of the case to the Attorney General of the United States. However, the recently submitted monthly work load report does not list this contract among those scheduled for royalty audit during May. It is suggested that you discuss this matter with Mr. Weissenborn and arrange for the royalty audit at the earliest possible date.

Furthermore, although by agreement dated November 18, 1955, work under the contract was terminated effective September 23, 1954, a Report of Review covering the costs under this short form contract has not been submitted. Therefore, it is suggested that you review the monthly forms MF-104 and submit a Report of Review concurrently with the Royalty Audit Report.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
May 8, 1956

Copy to: Docket
Admr. Reading File
A. E. Weissenborn (2)
Mr. Chambers
Mr. Turner

C
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P
Y

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

So. 157 Howard Street
Spokane 4, Washington

April 5, 1956

Certified Mail
Return Receipt Requested

Mr. Charles Sisenvine, President
Western States Copper & Uranium Corp.
5905 Phinney Avenue
Seattle 3, Washington

Re: Docket No. DMEA-2341 (Copper)
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Sisenvine:

We refer you to our letters of September 15 and December 15, 1955, and January 11, 1956 requesting overdue payment of royalties on production from the Rainy Mine. Delinquent royalties amount to $528.19 subject to audit.

We do not wish to work a hardship on you but we do not have the authority to defer payment indefinitely; therefore, if you do not make payment within 30 days from the date of this letter, we have no alternative but to refer the matter to our Washington office for appropriate action.

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)
USBM (2)
USBM(AD)
Kellum

RECEIVED
MAY 31 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the sales documents pertaining to the sale of copper ores and concentrates for the period November 6, 1952, to May 16, 1956, by

Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

produced from Rainy Mine, located in King County, Washington, on which royalties are due the U. S. Government under terms of Contract Idm-E 436, DMRA-2341 (copper), dated November 6, 1952, as amended.

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

The audit established the total sales of such ores and concentrates for this period, subject to DMRA royalties, to be $14,770.55. Royalty due the Government at the contract rate of 5 per cent is $738.52. The royalty paid and balance due are as follows:

Total Royalties Due	$738.52
Total Royalties Paid	210.33
Balance of Royalties Due	$528.19

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

May 21, 1956

FIRST ROYALTY AUDIT REPORT

I. INTRODUCTION

On May 16, 1956, an audit was made of sales records of

Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

pertaining to the sale of copper ores and concentrates during the period November 6, 1952, to May 16, 1956, produced from property known as Rainy Mine, located in King County, Washington, on which royalties are due under terms of Contract Idm-E 436, BMEA-2341 (copper), dated November 6, 1952, including Amendments No's. 1 to 4 and Termination Agreement dated November 18, 1955.

The sales records pertaining to this contract are in the possession of Mr. Charles Sizemore, president of the corporation, and were inspected in his real estate office, at 5905 Phinney Avenue, Seattle, Washington. It was not considered necessary to visit the mine and inspect any production records which may be available.

Mr. E. A. Magill, mining engineer, Bureau of Mines, Seattle, Washington, was present and assisted in the audit.

II. GENERAL INFORMATION

Article 6 of the exploration contract, as amended by Amendment No. 4, provides that should the Government, within 6 months after completion or termination of the exploration project, certify that a discovery or development has resulted from the work, the operator, as principal, if the operator is the producer, or as security if the operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2 of the contract for a period of 13 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. The exploration contract was terminated by Termination Agreement dated November 18, 1955. A certificate of discovery or development was issued on October 3, 1955.

According to Report of Review issued by this auditor concurrently with this First Royalty Audit Report, the total accepted costs of the exploration amounted to $10,830.00, with the Government's contribution, on a 50 per cent basis, being $5,415.00.

III. SCOPE OF AUDIT AND FINDINGS

RECEIVED
MAY 31 1956

A. Conference with Examining Engineer

A conference with the examining engineer (Mr. Magill) disclosed the following:

(a) The operator does not stockpile ore subject to DMEA royalties; nor are low-grade ores, tailings, or middlings stockpiled.

(b) All production from the mine is subject to DMEA royalties.

(c) The sampling and assay controls in effect are considered adequate.

(d) The manner of disposing of production is considered as giving the Government its fair royalty returns.

(e) Examination indicated that the operator is properly reporting the current production subject to DMEA royalty.

(f) The operator does not buy from or sell to other operators.

B. Audit of Settlement Statements

A considerable amount of preaudit work was accomplished in the DMEA office, Region I, Northwest District, Spokane, Washington, prior to the field audit. During this preaudit work, a statement of royalties received was prepared from copies of settlement sheets furnished by the purchaser of ore and concentrates, in support of royalty payments made by such purchaser directly to the regional DMEA Executive Officer in connection with settlements subsequent to October 3, 1955, date the certificate of discovery or development was issued. The royalty receipts were verified with deposits made by the regional Finance Officer. During the preaudit work a listing was also made of royalties due in connection with sales of ore and concentrates during the period November 6, 1952, to October 3, 1955, that is, for the period between the date of the contract and the date of certification. This listing was compiled from information previously secured by Mr. Magill from the operator. All of the data compiled during the preaudit work, which is filed as a part of my audit work papers, was reconciled with the operator's sales records during the on-site audit.

IV. CONCLUSIONS

Exhibit "A", attached to this report, is a detailed listing of sales subject to DMEA royalty during the period November 6, 1952, to May 16, 1956; together with amounts of royalties due, paid and unpaid at the latter date, as summarized below:

			Proceeds
Metal	Quantity	Average Per Unit	Amount
Gold	37,354 oz.	$31.847/oz.	$ 1,188.63
Silver	1,431 oz.	.838/oz.	1,198.96
Copper	49,947 lbs.	.303/lb.	15,119.40
Total			$17,506.99
Less: Smelting charges		$2,732.44	
Umpire fee		4.00	2,736.44
Net proceeds subject to DMEA royalty			$14,770.55
Royalties due based on 5% applicable to individual shipments			$ 738.52
Royalties paid			210.33
Balance of royalties due			$ 528.19

At the conclusion of the audit Mr. Sisenvine was informed of the audit findings, and the customary procedure followed by DMEA with respect to the collection of delinquent royalties. He expressed his agreement with the finding that the balance of royalty due amounted to $528.19 and stated that the company was not in possession of funds with which to meet such obligation at this time.

This report and the findings therein were discussed with Mr. Wing G. Agnew, acting Executive Officer, DMEA Field Team, Region I, Northwest District, on May 21, 1956.

C. E. Fisher

C. E. Fisher, Auditor

May 21, 1956

RECEIVED

MAY 3 1 1956

EXHIBIT "A"

Contract Idm-E 436
DMEA-2341 (Copper)

WESTERN STATES COPPER CORPORATION

STATEMENT OF ROYALTIES DUE, PAID AND UNPAID AT MAY 16, 1956

Settlement Sheet Purchaser: Tacoma Smelter, A.S. & R.Co.			Net Proceeds		Royalty @ 5%		
Lot No.	Date	SDT	Amount	Per SDT	Due	Paid	Unpaid
2639	9/23/53	31.1875	$ 988.31	$ 31.69	$ 49.42	$ -0-	$ 49.42
2004	9/ 7/54	10.0835	409.86	40.64	20.49	-0-	20.49
2139	9/24/54	13.1635	710.25	53.95	35.51	-0-	35.51
2322	10/ 8/54	7.1715	391.85	54.63	19.59	-0-	19.59
2695	11/16/54	13.0790	896.83	68.57	44.84	-0-	44.84
2707	11/19/54	8;1405	403.54	49.57	20.18	-0-	20.18
2883	12/ 7/54	9,6090	425.83	44.27	21.29	-0-	21.29
2932	12/15/54	12.3415	990.52	80.26	49.53	-0-	49.53
3010	12/23/54	6,6930	278.58	41.62	13.93	-0-	13.93
3023	12/23/54	6,0550	380.33	62.81	19.02	-0-	19.02
2073	9/ 8/55	31.3445	3,548.69	113.21	177.43	-0-	117.43
2114	9/12/55	18.3400	1,139.33	62.12	56.97	-0-	56.97
2347	10/ 5/55	16.4665	1;877.47	114.03	93.87	93.88	(.01)
3071	11/21/55	15.9880	1,827.09	114.28	91.35	91.35	-0-
3180	12/12/55	9.0605	502.07	55.42	25.10	25.10	-0-
Totals		208.7235	$14,770.55		$738.52	$210.33	$528.19

Check Sheet of Examining Engineer

Operator's Name **Western States Copper Corporation**

Address **5905 Phinney Avenue**

Seattle 3, Washington

RECEIVED
MAY 31 1956

Exploration Contract No. **Idm-E436** Docket No. **DMEA-2341 (copper)**

	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 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 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.

3. (a) Mill tailings with possible potential value are not saved, but as long as the Operator's production is no greater than it has been in the past, such loss would not amount to enough to worry about.

Elmer A Magill
Mining Engineer

Date May 21, 1956

82448

E-436

For Certificate of Deposit No. 284, dated December 19, 1955, giving royalty repayment of $25.10, see E-651.

For Certificate of Deposit No. 281, dated November 23, 1955, giving royalty repayment of $91.35, see E-115.

QUINTUPLICATE

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

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO. 14-23-000-877

For credit of 526 Division of Procurement, Portland 5, Oregon (Name, title, and address of disbursing or certifying officer or accountable officer) 583 U. S. Courthouse (Date sent) 11/10/55

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

$ 0.27

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X6401	E-436	$0.27

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

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

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

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

(Depositor)

Myrtle I. Furdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 13331
Dated 11/4/55
Amount - $0.27
From- Tacoma Smelter, American Smelting and Refining Company
Contract Idm-E436, Western States Copper Corporation
Royalty receipt

QUINTUPLICATE

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

LETTER OF TRANSMITTAL

Portland, Oregon

DEPOSIT NO.

14-23-020-268

$ 93.61

For credit of 523 U. S. Courthouse, Portland, Oregon (10/7/53)
(Name, title, division or department, number and place of agency)

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

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		$93.61

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

Defense Minerals Exploration Administration
c/o Bureau of Mines
P. O. Box 492
Albany, Oregon

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

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

(Depositor)

Myrtle I. Purdy, Authorized Collector

DEPOSITARY WILL RETAIN THIS COPY

16—59686d-1 GPO

Check No. 12801
Dated 10/6/55
Amount - $93.61
From- American Smelting and Refining Co. - Tacoma Smelter
Contract Idm-E436, Western States Copper Corporation
Royalty receipt

WESTERN STATES COPPER AND URANIUM CORP.

5905 PHINNEY AVENUE • SEATTLE 3, WASHINGTON • TELEPHONE HEMLOCK 6800
HEMLOCK 6801
DEXTER 3252

September 24, 1955

RECEIVED
JUN - 1 1956

RECEIVED
BUREAU OF MINES
SEP 2 1955
SPOKANE, WASH

Tacoma Smelter
American Smelting & Refining Co.
P.O. Box 1605
Tacoma, Wash.

Attention: Mr. Summerfield:

~~Dear Mr. Summerfield:~~

As you may or may not know, we have been performing certain exploration work on our King County property with assistance from a RFEA loan.

We have received a request from the Bureau of Mines in Spokane to henceforth (including a present lot of concentrates that you now have for us) make payment on a 5% royalty (net) to them, as per the terms of our contract. This figure is to be determined by your payment on the same basis as Gilbreaths are paid, except of course it is 5%.

We therefore request that you deduct from the proceeds due us on all shipments the proper amount and remit same in form of check payable to the Treasurer of the United States, together with a copy of the smelter return. This should be mailed to the U. S. Dept. of the Interior, Defense Minerals Exploration Administration, 1201 N. Division St., Spokane 2, Wash.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisemine, President

CS:sc

Attn: Stephen W. Zoldok
Acting Member U. S. Bureau of Mines
Spokane, Wash.

Dear Sir:

We are in receipt of your letter of Sept. 22nd. Above find copy of letter of directions given to the Tacoma Smelter as to future royalty payments.

Very truly yours,

CS

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

SEP 22 1955

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

Re: Docket No. DMEA-2131 (Tungsten)
Tungsten Uranium Mines
(formerly Tungsten Mining & Milling Company)
Germania Mine
Stevens County, Washington
Contract No. Idm-E214

and

Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Weissenborn:

Reference is made to the letters dated September 15, 1955, addressed by the Field Team to the referenced Operators, demanding that certain payments must be received by specified dates or the matters will be referred to the Attorney General for further action.

In connection therewith your attention is invited to the Special Notice promulgated by the Operating Committee Minutes No. 398 dated July 30, 1954, wherein it is stated in part:

> "Demand for payment of the amount due the Government should be made in writing to the delinquent Operator. On refusal of Operator to arrange to make payment or failure to reply to the Field Team's letters requesting payment, a follow-up letter should be sent advising that unless the matter is satisfactorily resolved within 30 days it will be <u>referred to Washington for appropriate action</u>." (Underscoring supplied.)

Referral to the Attorney General of an amount due the Government is a matter for the determination of the Washington office. Such referral to the Attorney General may be made only as a last resort and only after vigorous efforts by the Field Team to effect collections, followed by subsequent unsuccessful attempts by the Washington office.

Furthermore, such a referral must include copies of the general demands made upon the Operator, together with copies of the replies, if any, and must establish the exact amount due the Government.

The Field Team's letter to the Operator under Docket No. DMEA-2131, Contract No. Ida-E214, not only threatens referral to the Attorney General instead of the Washington office, but demands payment of an unspecified amount (implied as $1,200.00) within 15 days rather than 30 days. The one and only previous request, according to the Washington files, was a letter dated July 20, 1955, which requested remittance of the proper amount due of $725.82.

It is true that this Committee's teletype dated July 22, 1955 instructed the Field Team to advise the Operator that the matter would be turned over to the Attorney General, but the matter referred to therein was a satisfactory bid or the actual physical return of project equipment and not the collection of an amount due. This teletype was sent prior to receipt of advice that the Operator's bid had been accepted by the Field Team as evidenced by the letter of July 20, 1955.

The Field Team's letter to the Operator under Docket No. DMEA-2341, Contract No. Ida-E436, gives the required 30 days' notice but does not specify the amount of royalty due from the Operator. The Washington files do not disclose any previous collection efforts. Furthermore during the period of April 15, 1955 to August 24, 1955, an auditor representative (Mr. Clarence E. Fisher) of the Contract Administration and Audit Division was detailed to your region for the specific purpose of performing royalty audits. He was not requested to make an audit of this project.

These matters are brought to your attention for the guidance of the Field Team in the handling of similar cases which may occur in the future. However, it is suggested that, prior to any referral of the referenced case of the royalty delinquency to the Washington office, the resident representative (Mr. Charles A. Turner) of the Contract Administration and Audit Division be requested to perform a royalty audit.

Sincerely yours,

/s/ George C. Selfridge
Chairman, Operating Committee

APPROVED:

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

/s/ N. E. Nelson
Member, Geological Survey

EDTalbert/wb
September 21, 1955

cc to: Docket (2)
Admr. Reading File
Operating Committee
FT Reg. I, NW Dist. (2)
R. W. Halliday, USBM
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS
W. R. Grimwald
W. S. Martin
C. A. Turner
J. L. Chambers

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
MAY 31 1956

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

pertaining to Exploration Project Contract No. Idm-E436, Docket No. DMEA-2341 (copper), including Amendments No's. 1 to 4, for the months of April, 1953, to July, 1954, inclusive, covering a project for the exploration of copper on property known as Rainy Mine, located in King County, Washington.

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

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

All of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$10,830.00
Exceptions		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$10,830.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the United States Government in the amount of Five Thousand Four Hundred Fifteen and No/100 Dollars

$5,415.00

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

May 21, 1956

C. E. Fisher

C. E. Fisher, Auditor

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

Budget Bureau No. 42-R1036.5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

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

Month of July, 1954 Docket No. DMEA #2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp Minerals copper
Address 5905 Phinney Ave, Seattle Wash
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing					[illegible]	[illegible]
Crosscutting						
6 ft at $30.00 ft Drifting	$180.00	1350.00	$1530.00	180.00	1350.00	1530.00
Power & Tools					500.00	500.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	180.00	1350.00	$ 1530.00	180.00	10650.00	10830.00

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

Date Aug 15, 1954 *Payee Western States Copper Corp

Per [signature] Title Pres.

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

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

(Instructions on reverse)

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

$ 90 00

Signature MJP
(Authorized Certifying Officer)

Date 10/14/54 Vou. No. 1319
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E4-36 in accordance with the terms of the contract.

Signature /S/ Elwin A Magill Title Mining Eng Date 10/8/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E Howard Title Mining Eng Date 10/13/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1954 Docket No. DMEA #2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp Minerals copper
Address 5905 Phinney Ave, Seattle Wash.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting 6 feet	ft	$180.00	6	$1530.00	51	$30.00	350	$30.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		180.00		$1530.00				

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

Date Aug 15, 1954 Operator Western States Copper Co.

Per [signature] Title Pres.

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

(Instructions on reverse)

Remarks: The 6 ft of drifting done was thru good sulfides, with a decrease in the pyrite previously encountered. Ore will probably assay 5% copper. The pocket & station were enlarged and improved, etc. Our mill was run considerably and most of our effort in July was directed toward preparation for production. Most of this work was above ground.

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1954 Docket No. DMEA #2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp Minerals Cooper
Address 5905 Phinney Ave, Seattle Wash
Contract Amount, $ 22,300 Government Participation: 50% % Amount, $ 11,150.

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
~~Bulldozing~~ Shaft					8800.00	8800.00
Crosscutting						
Drifting					1350.00	1350.00
Pocket & Station at 100 ft.	$500.	0	$500.00	500.00	-0-	500.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	500.00	0	500.00	500.00	10150.00	10650.00

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

Date July 3rd 1954 Payee Western States Copper Corp

Per [signature] Title President

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

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

(Instructions on reverse)

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

$ 250.00

Signature MJP
(Authorized Certifying Officer)

Date 7/9/54 Vou. No. 1214
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 436 in accordance with the terms of the contract.

Signature Clem A. Magill Title Mining Engr Date July 6, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Engr Date 7/7/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1954 Docket No. DMEA 2341 Contract No. IDM-e-436
Operator's Name Western States Copper Corp Minerals Copper
Address 5905 Phinney Ave, Seattle

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Pocket & Station at 100 ft.		500.00	-	500.00		500.00		$500.00
TOTAL DISTRIBUTED COSTS		500.00	-	500.00		500.00		TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		500.00		-				

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

Date July 3rd 1954 Operator Western States Copper Corp

Per [signature] Title President

REMARKS: see separate sheet

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

WESTERN STATES COPPER CORP.

July 1st 1954
DMEA 2341
IDM-S-436

PROGRESS REPORT

Under
pocket and loading station was cut at the 100 ft level in the shaft as per DMEA contract. No additional drifting was done this month. The new road was completed and considerable surfacing etc of same was done. It is now possible to drive a car or truck directly into the portal of the mine, under the new bunkers, for quick and easy loading of ore or concentrates. The mill was test run, certain minor changes made and we are now ready to continue on our drifting program and operation of the mill.

Very Truly Yours,

Charles Sisemore

Western States Copper Corp
by Charles Sisemore, Pres.

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

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

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

Month of May, 1954 Docket No. DMEA 2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp Minerals Copper
Address
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting					1350.00	1350.00
4 ft shaft at 88.00	352.00	8448.00	$8800.00	352.00	8448.00	8800.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	352.00	8448.00	$8800.00	352.00	9798.00	10150.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date June 1 1954 *Payee Western States Copper Corp
Per Charles Lesburse Title Pres.

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

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

(Instructions on reverse)

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

$ 176.00

Signature MLP
(Authorized Certifying Officer)

Date 6/15/54 Vou. No. 1180
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E436 in accordance with the terms of the contract.

Signature /S/ Elwin A. Magill Title Mining Engr Date 6/8/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Engr Date 6/9/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1954 Docket No. DMEA 2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp Minerals Copper
Address 5905 Phinney Ave, Seattle Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts sinking	ft	352.00	4	$8800.00	100	$33.00	100	$38.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		352.00	4	$8800.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		352.00		$8800.00				

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

Date June 1st 1954 Operator Western States Copper Corp

Per [signature] Title Pres.

REMARKS: see separate sheet

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORP.

June 1st 1954
DMEA #2341
IDM-E-436, Copper

PROGRESS REPORT

During the month of May 1954, the shaft work authorized under contract was completed. This contract for 100 feet gives us a total shaft depth now of 119 feet from the cellar at the first level, or roughly 150 feet from the surface of the hillside. Very little mineralization was encountered in the final ten feet of the shaft, but the working was still in the brecciated zone. Work was started on the pocket and station. Numerous other jobs, mostly on the surface, occupied the greater part of the crews time. This included construction of new storage bins, etc.

Very Truly Your s,

Western States Copper Corp.
Charles Sisenvine, Pres.

Chas Sisenvine

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

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

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

Month of APRIL 195 4 Docket No. DMEA #2341 Contract No. DMA-E-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905 Phinney Ave, Seattle 3 Wash.
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting at $30.00	-	$ 1350.	$1350.			
Drifting 10 ft shaft at $88.00	$880.	7563.	8443.			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$880.	$ 8913.00	$9793.00	880.00	8918.00	9798.00

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

Date May 2-1954 *Payee Western States Copper Corp.

Per Charles Lisowski Title Pres.

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

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

(Instructions on reverse)

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

$ 440.00

Signature (Authorized Certifying Officer)

Date 5/14/54 Vou. No. 1164
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 436 in accordance with the terms of the contract.

Signature /S/ Elwin A Magill Title Mining Engr Date 5/6/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 5/10/54

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 195 4 Docket No. DMEA 62341 Contract No. DMEA-436
Operator's Name Western States Copper Corp. Minerals copper
Address 5905 Phinney Ave, Seattle 3 Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting ft		-	-	$1350.	45	30.00	350	30.00
Crosscutting								
Raising								
Shafts	ft	880.00	10	8448.[illegible]	96	88.00	100	88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		880.00	10	$9798.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		880.00		$9798.00				

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

Date May 2, 1954 Operator Western States Copper Corp.

Per [signature] Title Pres.

REMARKS: see separate sheet

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

May 2nd 1954
DMSA #2341
IDM-3-436

WESTERN STATES COPPER CORP.

PROGRESS REPORT

Work was resumed in early April after winter shutdown. Considerable damage was done to buildings and surface improvements on account of one of the heaviest winter snowfalls in a number of years. Crew of four or five men was engaged in this work for of repairing damage for a week or more. Our old bunker and loading platform on the logging road about 500 feet above the workings were dismantled and the timbers and lumber used for construction of a new bunker of about 50 tons capacity located over the portal and below the headframe so that in the future, ore removed from underground may be dumped by gravity directly into the new storage facilities. Some road work was done and crew went underground about April 20th. The shaft was pumped and sinking work was started, in order to complete the sump and thereby complete the shaft portion of our Contract. A depth of 96 feet was reached per Contract, this being about 115 feet below the collar on the 1st level. The mineral showing is fair, with considerable sulfides present. On completion of the shaft work will be started on the pocket and station.

Very Truly Yours,

Western States Copper Corp
Charles Lisenvine, Pres.

Charles Lisenvine

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 195 3 Docket No. DMEA #2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp. Minerals copper

Address 5905 Phinney Ave, Seattle 3 Wash

Contract Amount, $ 22,300.00 Government Participation: ____ % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting 40 ft at $30.	$1200.	$150.00	$1350.00			
4 ft shaft sinking at $88.00 *	$352.	$7568.00	$7920.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1552.00	$7718.00	$9270.00	1200.00	7718.00	8918.00

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

Date Dec 1st 1953 *Payee Western States Copper Corp.

Per [signature] Title Pres.

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

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

(Instructions on reverse)

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

600.00

$ 600.00

Signature [signature] (Authorized Certifying Officer)

Date 12/28/53 Vou. No. 1028 (See other side)

* Measurement of shaft in dispute.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 436 in accordance with the terms of the contract.

Signature Elmer A. Mazzetti Title Mining Engr Date Dec 2, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W. Zoldok Title Mining Engr Date 12/17/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 3 195 Docket No. DMEA #2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp. Minerals copper

Address 5905 Phinney Ave., Seattle Wash

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	feet	$1200.	40	$1350.00	45	$30.00	350	$30.00
Crosscutting								
Raising								
Shafts	feet	$352.	4	$7920.00	90	88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		$1552.	44	$9270.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$ 1552.		$9270.00				

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

Date Dec 1st 1953 Operator Western States Copper Corp/

Per Charles Lisenowe Title Pres.

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

Remarks: see separate sheet

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORP.

Dec 1st 1953
DMEA #2341
IDM-E-436

PROGRESS REPORT

No additional shaft work was done except the four feet previously reported in the Nov 1st report. (This item is re-entered for payment on the December 1st report accompanying.) Drifting was started at the 100 foot level, using a single shift. A total of 45 feet has now been accomplished on the drift which is 5x7. Sulfide minerals appear thru practically all of the drift in varying quantities. Some high grade chalcopyrite appears in substantial gobs, some deposited in strata. The drift work is still entirely in the brecciated zone and our superintendent considers the showing to be very satisfactory. The station and skip pocket will be put in early in December. Our crew was used considerably during the month to assist the logger who is putting in our spur road to the portal. Water in the shaft was held easily under control by our new pump mentioned in the Nov 1st report. Bulldozer work on the new road exposed several sulfide outcropts, one particularly interesting about 150 feet upstream from our shaft. Work progressed rather slowly but in a routine manner.

Very Truly Yours,

Charles Sisenvine

Western States Copper Corp.
by Charles Sisenvine, Pres.

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

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

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

Month of October, 1953 Docket No. DMEA #2341 Contract No. [illegible]
Operator's Name Western States Copper Corp. Minerals copper
Address 5905 Phinney Ave, Seattle 3 Wash.
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Contracts:						
Short Form ~~Drilling~~ Drift 5 feet at $ 150.						
~~Bulldozing~~ $30.00	150.	0.	150.00	150.00		150.00
Crosscutting						
~~[illegible]~~ 4 feet shaft ¥ sinking at $88.00	352.	$7568.00	$7920.00	-0-	7568.00	7568.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Totals	$502.00	$7560.00	$8070.00	150.00	7568.00	7718.00

I certify that the above bill is correct and just and that payment therefor has not been received. Date Nov 1st 1953 *Payee Western States Copper Corp.

Per Charles Lesemann Title President

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

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

(Instructions on reverse)

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

$ 75.00

Signature [illegible] (Authorized Certifying Officer)

Date 11/19/53 Vou. No. 981 (See other side)

* Measurements do not agree with those taken by DMEA Engineer.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 436 in accordance with the terms of the contract.

Signature Chas. A. Magill Title Mining Engr Date Nov 4, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr Date 11-12-53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

PROPERTY OF THE INTERIOR
Defense Minerals Administration
NOV 3 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 3 Docket No. DMEA #2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp Minerals copper

Address 5905 Phinney Ave, Seattle, 3 Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	ft	$150.00	5	150.00	5	$30.00	350	$30.00
Crosscutting								
Raising								
Shafts	ft	352.00	4	7920.00	90	88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		502.00	9	$ 8070.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		502.00		$ 8070.00				

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

Date Nov 1st 1953 Operator Western States Copper Corp

Per [signature] Title pres.

REMARKS: Separate sheet

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 3 1953

WESTERN STATES COPPER CORP.

Nov.1st, 1953.
DMEA #2341
IDM # E - 436, Copper

PROGRESS REPORT.

Sh aft sinking continued early in October but only an additional four feet of depth was attained. Great difficulty was encountered in keeping down the water in the shaft with our small lim ited capacity sump pump. This pump finally broke down completely at just about the same point where it had reached its pumping height limit. We were compelled to lay off the crew and start looking for a suitable replacement. We acquired fina lly a reciprocating piston type pump which could handle about 125 gallons per m inute at our depth without difficulty. This equipment was installed and all water can now be handled in about five minutes of each hour.

An extension of the existing road was started by a logging contractor and the crew wa s put on the jo b to assist in this operation. When this new road is completed which will be in about ten days, it will be possible to drive a truck or car directly below the ore bin. Drifting at the 100 ft. level as per contract was started during the last week of October. No assays or detailed report on the mineral has been made yet. Fair to good sulfide showings were present at the bottom of the shaft. The shaft will be deepened during November ~~xxxx~~ an additional ten feet for sump.

Very truly yours,

WESTERN STATES COPPER CORP.
by Charles Sisenvine, President.

Chas Sisenvine

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1953
DMA-8-436

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 3 195 Docket No. DMEA #2341 Contract No. DMA-8-436
Operator's Name Western States Copper Corp. Minerals copper
Address 5905 Phinney Ave, Seattle, 3, Wash.
Contract Amount, $ 22,300.00 Government Participation: 50% Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
sunk 16 feet shaft sinking at $88.00	$1408.	$6160.00	$7568.00	1408.00	6160.00	7568.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 1408.	$6160.00	$7568.00	1408.00	6160.00	7568.00

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

Date Oct 1st 1953 *Payee Western States Copper Corp.

Per Charles Lessmann Title President.

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

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

(Instructions on reverse)

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

$ 704.00

Signature (Authorized Certifying Officer)

Date 10/6/53 Vou. No. 935
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E436 in accordance with the terms of the contract.

Signature /S/ Elwin A Magill Title Mining Engr Date 10/2/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
RECEIVED
OCT 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 195 3 Docket No. DMEA #2341 Contract No. IDM-3-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905 Phinney Ave, Seattle, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	feet	$1408.	16	$7568.00	86	$88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1408.	16	$7568.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1408.		$7568.00				

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

Date Oct 1st, 1953 Operator Western States Copper Corp.

Per Charles Lesemwne Title Pres.

REMARKS: See separate sheet

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Western States Copper Corp.

Oct 1st, 1953
DDH #241
Lot-416, Copper

PROGRESS REPORT.

Sinking of shaft continued in more or less routine manner. About the middle of September an extra shift was put to work and our work day is now about eighteen hours. This is not directly reflected in the footage made this month, as it was necessary to use the extra labor in part for finishing up bunkhouse facilities, which are now in use. The shaft was making considerable more water than previous, the water coming from several fairly large fissures in the side of the shaft. Our sump pump is easily able to handle the water, the pump working perhaps eight to ten minutes per hour. The sulfide showing diminished considerably during the month but there are still frequent intrusions of chalcopyrite and pyrite into the shaft, the mineral at such times showing on two or more walls rather than being confined to the east wall as was previously the case. A shipment of 31 tons of more or less selected ore from the shaft which was on the dump was shipped to the Tacoma Smelter. The copper assay on same was 7.92%, silver 4.50 oz and gold .11... We are requesting an umpire assay on the gold, as our own assay made from smelter samples showed .16 oz.

Very Truly Yours,

Western States Copper Corp
by Charles Lescwine, Pres.
Charles Lescwine

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA #2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp. Minerals copper

Address 5905 Phinney Ave, Seattle, 3, Wash.

Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
~~Drifting~~ 9 feet shaft sinking at $88.00	792.00	$5368.00	$6160.00	792.00	5368.00	6160.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	792.00	5368.00	6160.00	792.00	5368.00	6160.00

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

Date Sept 1, 1953 *Payee Western States Copper Corp.

Per [signature] Title President.

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

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

(Instructions on reverse)

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

$ 396.00

Signature [signature] (Authorized Certifying Officer)

Date 9/4/53 Vou. No. 897 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 436 in accordance with the terms of the contract.

Signature /S/ Elwin A. Magill Title Mining Engr Date 9/2/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp. Minerals Copper

Address 5905 Phinney Ave, Seattle, 3 Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	feet	$792.00	9	$6160.00	70	$88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$792.00	9	$6160.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$792.00		$6160.00				$22,300.00

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

Date Sept 1st, 1953 Operator Western States Copper Corp.

By [signature] Title President

REMARKS: See separate sheet.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORP.
5905 Chinook Way
Seattle, Wash.

September 1st, 1953

U.S. BUREAU OF MINES
Federal Office Bldg.
Seattle, Wash.
Attn: Mr. Ingill.

Re: Monthly Report
Month, 1953

Shaft sinking work was carried on in a single shift. However, several unavoid able delays resulted in very small progress for the month. One two day shaftmen were injured in separate incidents but on the same day, one with crushed finger, the other with a badly wrenched back. This resulted in their having to lay-off for approximately ten days. We were unable to replace them with competent help on short notice. The raise was run into the 57 foot level drift mentioned in June report to remove ore for an anticipated shipment to the smelter. This ore was a good looking chalcopyrite mixed with pyrrotite and pyrite in lesser quantities. A certain amount of time was consumed separating ore from waste on the dump, ore to be added to that above mentioned, for shipment purposes. Additional time was consumed in finishing up as far as possible our new bunkhouse, digging cesspool, etc. All this work plus other surface improvements resulted in the small shaft footage for the month. The first round in the shaft this month exposed good sulphides across the whole area of the shaft for the first time. However, the following round showed the ore only part way across again, extending into the shaft from the east wall, as has been the case during the whole course of this work. Timbering in the shaft was done as usual. The hanging rock continues as granite and quartz.

In our report for the month of July, I asked about a contingency setup for funds but have received no reply to this inquiry. Could you please read over the July Narrative of Work and give me a formal reply?

Very truly yours,

Charles Lessenverse

Western States Copper Corp.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
AUG 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905 Phinney Ave, Seattle Wash.
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) [redacted] Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
[redacted] 16 feet shaft sinking at $88.00	1408.00	$3960.00	$ 5368.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1408.00	$ 3960.00	$5368.00	1408.00	3960.00	5368.00

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

Date August 1, 1953 Payee Western States Copper Corp.

Per Charles Lisenwin Title President.

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

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

(Instructions on reverse)

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

$ 704.00

Signature [illegible]
(Authorized Certifying Officer)

Date 8/10/53 Vou. No. 863
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 436 in accordance with the terms of the contract.

Signature Elmer A. Magill Title Mining Engr Date August 3, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 195 Docket No. DMEA 2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp Minerals copper

Address 5905 Phinney Ave, Seattle, 3 Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes	feet	$1408.00	16	$5368.00	61	$88.00	100	$88.00
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1408.00		$5368.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1408.00		$5368.00				$22,300.00

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

Date August 1st 1953 Operator Western States Copper Corp.

Per [signature] Title President.

REMARKS: Work progressed in routine manner on single shift. Partial interruption for some drifting and necessary surface work.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORP.
5905 Phinney Ave
Seattle, Wash.

August 1st 1953

U.S.Bureau of Mines
Federal Office Bldg
Seattle, Wash.
Attn; Mr Magill.

DMEA 2341
IDM-E-436

NARRATIVE OF WORK
JULY 1953.

Shaft sinking program was carried on in a single shift. Work was subject to some interruptions on account of necessary surface work on equipment and buildings. Shaft incline was continued same as previously, timbering, etc continued in same manner and specifications as previously noted. Rock continues as granite and quartz, medium hard to hard. The mineralized zone continued to appear on the east wall of the shaft with occasional intrusions into the shaft itself down to about the 70 foot level. At this point the sulfides became considerably more pronounced in the shaft proper and on the last work day of this month heavy mineralization extended about half way across the shaft starting from the east wall.
The short drift mentioned in last months report was run in about 12 feet into the east wall . Very rich chalcopyrite with some pyrrotite was found on all walls of this drift. An average assay was not taken of this area but a random sample taken from one of the better appearing spots assayed 22/3% copper and 16.10 oz. silver. Shaft work was resumed after this drift was discontinued and the drift will probably later be made into a sump if two water pumping stations are required.

****

I would like to ask if there is any contingency setup under this DMEA program that would make available to us a certain amount of extra and immediate funds, same to be deducted from the amount of the contract. We have an almost completed bunkhouse with good facilities for a dozen men and would like very much to put on a second

shift immediately. Of course this will require outfitting the bunkhouse with supplies, engaging a cook and finishing up the plumbing and certain other expenditures. It would also be necessary to have a certain cash reserve for payroll for the extra men. Our present financial situation is such that we are able to take care of payroll for one shift only. On two shifts our DMEA check would be twice as large each month and I am certain that we can cover the other 50% ourselves, once we have gotten over the hurdle of the first months payroll for the extra men. I estimate that $2000.00 will be adequate for all purposes required, including the living facilities and payroll. I do not want this request to in any way affect the present monthly payment basis. However, if there are any provisions for a situation such as ours, I would like to know how it may be done. I believe we have a very worthwhile discovery here and it is a shame that the work is not going faster. We are exceptionally well set-up as far as equipment is concerned and it is only the matter of extra labor that has slowed us up. Please let me know if anything can be done.

Very Truly Yours,

Charles Sisenvine

Charles Sisenvine, Pres.
Western States Copper Corp.

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

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

Wash

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

Month of June 1953 Docket No. DMEA 2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905 Phinney Ave, Seattle, Wash.
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
~~Drifting~~: 12 ft shaft skinkin: at $88.00	1056.00	2904.00	3960.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1056.00	2904.00	3960.00	1056.00	2904.00	3960.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 1st 1953 *Payee Western States Copper Corp.
Per [signature] Title President.

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

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

(Instructions on reverse)

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

$ 528.00

Signature [signature]
(Authorized Certifying Officer)

Date 7/6/53 Vou. No. 824
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-436 in accordance with the terms of the contract.

Signature /S/ Elvin A. Magill Title Mining Engr Date 7/3/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr Date 7/6/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-404A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 3 Docket No. DMEA 2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp Minerals copper

Address 5905 Phinney Ave, Seattle, 3 Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Feet	$1056.00	12	$ 3960.00	45 627	$88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		$1056.00		$3960.00				$22,300.00

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

Date July 1st 1953 Operator Western States Copper Corp

Per C. Lesemann Title President.

REMARKS: Work progressed in routine manner on single shift, partial interruption for some drilling.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORPORATION
5905 Phinney Ave.
Seattle, Wash.

July 1st, 1953.

U. S. Bureau of Mines
Federal Office Bldg.
Seattle, Wash.
Attn. Mr. Magill.

DMEA 2341
IDME 436

NARRATIVE OF WORK.
JUNE 1953.

Shaft sinking program was carried on in a single shift. Work was subject to some interruptions on account of pump difficulties and certain necessary surface work. Shaft uncline was continued same as previously, timbering, etc. also the same. Rock continues as granite and quartz, medium hard to hard. Same drilling equipment was used. Occasional intrusions of mineral were noted in the shaft with sulfides continuing mostly on the east wall. The 12 ft. test holes at the 15 ft. level mentioned in the May report were assayed (the drillings) and showed 4.85% copper and .10 gold. Similar test holes were run in at about 50 ft. depth , these assaying 4.65% copper and .10 gold. It was decided to run a short drift into the east wall at the 57 ft. level. This work is now being done, size 5 ft. by 7 ft. Heavy sulfide mineralization was encountered almost immediately in the drift, mostly in the form of Chalcopy rite and Pyrrotite with some Pyrite. 6 ft.in, this heavy showing sulfide appeared to be 4 ft. wide. No definite trend or strike has been determined. We are working in the brecciated zone. Assays on the drift mineralization have not yet come back. Drift work has of course reduced our shaft footage for the month.

PS High graded sample from new drift assayed 22.33% copper, 15 oz silver (Assay just received today)

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

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

Wash.

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

Month of May, 1953 Docket No. DMEA 2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905 Phinney Ave, Seattle Wash.
Contract Amount, $ 22,300.00 Government Participation: 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
~~Drilling~~ 17 ft shaft sinking at $88.00	$1496.	$1406.	$2904.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1496.	$1406.00	$2904.00	1496.00	1408.00	2904.00

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

Date June 1st 1953 *Payee Western States Copper Corp.

Per [signature] Title President.

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

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

(Instructions on reverse)

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

$ 748.00

Signature [signature]
(Authorized Certifying Officer)

Date 6/15/53 Vou. No. 789
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 436 in accordance with the terms of the contract.

Signature S/ E. G. Magill Title M. Eng. Date 6/3/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ P. E. Kennard Title M. Eng. Date 6/4/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA #2341 Contract No. IDM-E-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905 Phinney Ave, Seattle, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	feet	$1496	17	$2904.00	33	$88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		$1496.		$2904.00				$22,300.00

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

Date June 1st 1953 Operator Western States Copper Corp.

Per Charles Lisenowe Title President

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

REMARKS: Work progressed in routine manner on single shift.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORP.
5905 Phinney Ave
Seattle, Wash.

June 1st 1953

U.S.Bureau of Mines
Federal Office Bldg
Seattle, Wash.
Att; Mr Magill.

DMEA 2341
IDM-E-436

NARRATIVE OF WORK (~~xxxxxxx~~
MAY 1953

Shaft sinking program was carried on in a single shift. Work was subject to some interruptions on account of necessary surface work. Shaft incline was continued at approximately 4 inches in 6 feet. Timbering was done with rough fir 8x8's, with 6 foot sets. Rock continues as granite and quartz, medium hardness. Two jackhammers were used, drilling 6 foot rounds with 28 holes, and pulling around 5 feet. Mineralization decreased on the last round. Previously it had improved considerably in quality, with quite an intrusion into the shaft at about 40 feet. The sulfides continued to run mostly in the east wall and it appears that we are sinking just alongside the ore body. At around 40 feet the chalcopyrite was of higher quality, fine and granular. The usual pyrite associated with it appeared mostly changed to pyrrotite. However, we appeared to run out of this the last five feet. Several 12 foot test holes were drilled into the east wall at about 15 feet below the collar of the shaft and the drilling appeared to be well mineralized. These drillings are now being assayed. The job is progressing in a routine manner, but rather slowly. Actual costs appear to be running about $100.0 per foot, due to the heavy, wet and sticky muck.

Charles Lisenwis

FO[illegible] (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
MAY 15 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 1953 Docket No. DMEA 2341 Contract No. DMEA-436
Operator's Name Western States Copper Corp. Minerals Copper
Address 5905-Phinney Ave, Seattle, Wash.
Contract Amount, $ 22,300.00 Government Participation 50 % Amount, $ 11,150.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
16 ft shaft sinking	$1408.	0.	$1408.			
~~Bulldozing 488.00~~						
~~Bulldozing 26~~						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 1408.	0.	$ 1408.00	1408.00		1408.00

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

Date May 1st, 1953 *Payee Western States Copper Corp

Per [signature] Title President.

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

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

(Instructions on reverse)

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

704.00

$ 704.00

Signature [signature] (Authorized Certifying Officer)

Date 5/8/53 Vou. No. 753

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-436 in accordance with the terms of the contract.

Signature /s/ Elvin A. Magill Title Mining Engr Date 5/4/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 15 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 2341 Contract No. IDM-E-436

Operator's Name Western States Copper Corp. Minerals Copper

Address 5905 Phinney Ave, Seattle, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	feet	$1408.	16	$1408.00	16	$88.00	100	$88.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1408.		$1408.00				$22,300.00

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

Date May 1st 1953 Operator Western States Copper Corp.

Per Charles Lisenwar Title President

REMARKS: Work was delayed one week by heavy snowfall. Otherwise work progressed in routine manner on single shift.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, Washington
May 4, 1953

U. S. Bureau of Mines
Mr. Magill
Federal Office Building
Seattle, 1, Washington

DMEA 2341
IDM-E 436

NARRATIVE OF WORK

Shaft sinking was carried on in one shift. Shaft incline being about 4" in 6 feet. Extreme shaft dementions 6'x12', with 4'x9' in the clear, (inside timbers). Timbering was done with rough fir, 8x8's, with 6' sets. Rock encountered was of medium hardness, granite and quartz. The east side of the shaft continues to show heavy Sulphide mineralization. No assays were run during April, but the Copper Sulphide appeared to be similar to ~~xxxxxxx~~ that previously encountered.

Work was conducted using Jack Hammer, drilling 6' holes and using Tungsten-Carbide Bits. The shaft is apparently making water at the rate of about 5' per day, but this is easily handeled by our Air Pumps. The job in general is progressing at an average rate.

Erral Sisenvine
(mrs) Erral Sisenvine
Sec'y-Treas.

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. Charles Simmerine, President
Western States Copper Corporation
5705 Phinney Avenue
Seattle 3, Washington

Pursuant to the provisions of Exploration Project Contract No. Idm-2425, dated November 6, 1952, Docket No. DMEA-231, 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 land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Shaft sinking below the Main Tunnel level and drifting on the 100 level have shown the existence of copper ores occurring in a brecciated zone within diorite rocks.

Dated OCT 3 - 1955

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals
Exploration Administration

WPKingsbeld/er (written 9/27/55)
Copy to: Docket
Clarence Fredell, DR.,MD,KPS
Mr. Geehan, 1608
Mr. Kiilegaard, 5224
Admr R File
Op. Committee
Base Metals
Cont.Adm.&Audit Div.
Finance Office
Region I, NW Dist. (2)
F. E. Johnson
W. R. Grimwald
Chron.

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

Mr. Charles Simonwine, President
Western States Copper Corporation
5905 Phinney Avenue,
Seattle 3, Washington

OCT 3 - 1955

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corp.
Rainy Mine
King County, Washington
Contract No. Idm-2436

Dear Mr. Simonwine:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-2436, dated November 6, 1952, 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 November 6, 1952, 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 November 6, 1965, whichever occurs first.

Payments should be made to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington. Checks should be drawn in favor of the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Weissenborn of any changes in ownership and production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. Weissenborn at six-month intervals that such is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Adm. R File
Op. Committee
Cont.Admin.Div.
Finance Office
Region I, NW Dist. (2)

Base Metals
Mr. F. E. Johnson
Mr. W. R. Grimwold
Chron.

WFKlingenschmid/cr (9/27/55)
Copy to: Docket
Mr. C. A. Fredell, ER,MD,FFS
Mr. Gaskin, 3608
Mr. Kilsgaard, 5224

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

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

OCT 3 - 1955

Re: Docket No. DMEA-231 (Copper)
Western States Copper Corp.
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-E436.

The contract was dated November 6, 1952, with the Government participating to the extent of 50 percent in an exploration project estimated to cost $22,300.00. The project is incomplete and actual expenditures to date (subject to final audit) have totalled $10,830.00, with the Government's share being half of such amount, or $5,415.00.

The total amount of work provided for under the contract consisted of 100 feet of shaft sinking, 450 feet of drifting, and excavating a station and skip pocket. Work actually done to date consists of 100 feet of shaft sinking, 52 feet of drifting, and excavating a station and skip pocket.

The discovery consisted of copper ores occurring in a brecciated zone within dioritic rocks. So far insufficient work has been done to make a tonnage estimate of such ore.

Sincerely yours,

C. O. Mittendorf

Administrator

WPKlugescheid/er 9/27/55
Copy to: Docket
Cont.Adm.&Audit
Region I,NW Dist
Base Metals
Admr R File
Op. Committee
Mr. Geehan,3608
Mr. Kiilsgaard,
F. E. Johnson
W. R. Griswold
Chron.

Enclosure

Contract No. Idm-E 436

Docket No. 2341

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
November 6, 1952	I N?	Washington	Copper

Name and Address of Operator: Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

	Reserve	Obligation
Prior Amount	0	$11,150.00
Increase	0	0
Decrease	0	$ 5,735.00
Revised Amount	0	$ 5,415.00

Remarks:

(Name)
Robert B. Adams, Chief
Operations Control
and Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/21/56

98963

G[illegible]rnment's copy

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TERMINATION AGREEMENT

It is agreed this 18th day of November, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Western States Copper Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E436, Docket No. DMEA-2341, dated November 6, 1952, as amended, hereinafter called the "Contract," that:

1. Effective September 23, 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 only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. 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.

5. 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 Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

WESTERN STATES COPPER CORPORATION

By Charles Lessmann Pres

12

Government's copy

EXPLORATION PROJECT CONTRACT
WESTERN STATES COPPER CORPORATION
DOCKET NO. DMEA-2341

AMENDMENT NO. 4

It is agreed this 3rd day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and Western States Copper Corporation (hereinafter called the "Operator") that Exploration Project Contract Idm-E436 (Docket No. DMEA-2341), dated November 6, 1952, as amended (hereinafter called the "Contract") is further amended effective November 6, 1954, as follows:

1. In Article 3 of the Contract the period for completion is further extended to "36 months." (Amendments Nos. 1, 2, and 3 extended the original period of "8 months" to "12 months," "21 months," and "24 months," respectively.)

2. Annex I, attached hereto and made a part hereof, is substituted for Article 6 of the Contract.

3. That part of the second sentence in Article 7 of the Contract form beginning with the word "Provided" is deleted.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the agreed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Meredith
Administrator, Defense Minerals
Exploration Administration

WESTERN STATES COPPER
CORPORATION

By [illegible]
Pres.

EXPLORATION PROJECT CONTRACT
WESTERN STATES COPPER CORPORATION
DOCKET NO. DMEA-2341

ANNEX I

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land,* as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years‡ from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

* "land" means the land described in Article 2 of the Contract form.

‡ The period "thirteen years" is substituted for the period "ten years."

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

58694

GOVERNMENT COPY

(Amendment to Change Starting and/or Completion Dates)

AMENDMENT NO. 3

It is agreed this 2nd day of August 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Western States Copper Corporation, 5905 Phinney Avenue, Seattle, Washington

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E436 dated November 6 1952 between the parties hereto be modified and amended to change the ~~starting date from to (No. of days) within of the date of the contract and the~~ completion period ~~(No. of days)~~ from 21 (No. of months) to 24 (No. of months) from the date of the contract. The effective date of this amendment shall be August 6, 1954.

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.

WESTERN STATES COPPER CORPORATION
(Operator)

By [signature] Pres

THE UNITED STATES OF AMERICA

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

WESTERN STATES COPPER CORPORATION
Exploration Contract Idm-E436
Docket No. DMEA 2341 (copper)

Justification of Amendment No. 3

This amendment is made to allow the operator sufficient time to complete the work under the contract. Progress has been slow due to an extremely long winter season in the Cascades and difficulties the Operator has been experiencing in obtaining satisfactory labor and sufficient financing to sustain the contract work. Completed work indicates promise that a discovery will result from the completed contract work. It is believed that the Operator should be given every encouragement to complete the work, even though several extensions of time on the contract may be necessary.

Willard P. Puffett

Docket No. DMEA 2341

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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(Amendment to Change Starting and/or Completion Dates)

AMENDMENT NO. 2

It is agreed this 26th day of October 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Western States Copper Corp., 5905 Phinney Ave., Seattle, Wash.

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E436 dated November 6 1952 between the parties hereto be modified and amended to change the ~~starting date from~~ _____ ~~to~~ (~~No. of days~~) ~~within~~ _____ (~~No. of days~~) ~~of the date of the contract and~~ the completion period from 12 (No. of months) to 21 (No. of months) from the date of the contract. The effective date of this amendment shall be November 6, 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.

WESTERN STATES COPPER CORPORATION
(Operator)

By Charles Lissemore, Pres

THE UNITED STATES OF AMERICA

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

WESTERN STATES COPPER CORPORATION
Exploration Contract Idm-E436
Docket No. DMEA 2341 (copper)

Justification of Amendment No. 2

This amendment is made to allow the operator sufficient time to complete the work under the contract. Work has been slow for a number of reasons, several of which were beyond the control of the Operator. Although it is believed that the Operator will complete the work in less time than this amendment allows, a nine months period was given in case winter weather makes it impractical to operate for several months. The very promising mineralization disclosed so far under this project fully warrants an extension of the contract.

E. A. Magill

(Amendment to Change Starting and Completion Dates) GOVERNMENT'S COPY

AMENDMENT NO. 1

Docket No. DMEA 2341 (Copper)

It is agreed this 29th day of Dec. 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Western States Copper Corporation, a Washington corporation, 5905 Phinney Avenue, Seattle 3, Washington.

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E436 of November 6, 1952 between the parties hereto be modified and amended to change the starting date from 60 (No. of day) to within 210 (No. of days) of the date of the contract and the completion period from 8 (No. of months) months to 12 months (No. of months) from the date of the contract. The effective date of this amendment shall be Dec. 29, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum".

Executed in sextuplicate the day and year first above written.

WESTERN STATES COPPER CORP.
(Operator)
By Erral Sisemore
Secy-Treas

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

5

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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Western States Copper Corporation
Exploration Contract Idm-E436
Docket No. DMEA 2341 (Copper)
King County, Washington

Justification for Amendment No. 1

Winter snow conditions have prevented the start of work under the contract. As the work can be done more efficiently and at a lower cost during the summer operating season, it is considered that this amendment to postpone the starting date, is for the benefit of both the Operator and the Government.

Docket No. DMEA 2341

Commodity Copper

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 436

Date of Contract ~~or Amendment~~: November 6, 1952

Name and Address of Operator:

Western States Copper Corporation
5905 Phinney Avenue,
Seattle 3, Washington

Amount of Government participation $ 11,150.00

Percent of Government participation 50 %

Region: II State: Washington

E. R. Talbot
(Name)

Jas. L. Chambers,
Chief, Contract Administration
and Audit Division
(Title)

Date Delivered to Bureau of Mines, Washington. Nov. 6, 1952 13908

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2341

COMMODITY Copper

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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Government's Copy
IDM-E 436

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 6th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Western States Copper Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of Washington and having an office at 5905 Phinney Avenue, Seattle 3, Washington

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Washington, County of King, described as follows:[3] Poncho Fraction, Rainy, Westacop, unpatented lode mining claims located in Sec. 16, T. 24 N., R. 10 E., W.M., and recorded respectively in Book 17, page 454, Book 16, page 131, Book 18, page 55 in County records together with Rainy Fraction as shown on map Exhibit "B" attached hereto and made a part hereof the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens, encumbrances and defects, a schedule of which the Government agrees may be disregarded~~

(*b*) That the Operator is a lessee, in possession and entitled to possession ~~and the Owner's Consent to Lease is attached~~

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.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Copper

in or upon the described land; and shall bring the project to completion within a period of 8 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $11,150.00 which is 50 percent of $22,300.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any [illegible] attach or the production from which is not to be subject to the Government's [illegible]
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

U. S. GOVERNMENT PRINTING OFFICE
16—68329-1

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Western States Copper Corporation
(Operator)

By Charles Siseowne
Pres.

By C. Whittenberg
Administrator, Defense Minerals Exploration Administration

I, Erral Siseowne, certify that I am the Sec-Treas secretary of the corporation named as Operator herein; that Charles Siseowne, President, who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
WESTERN STATES COPPER CORPORATION
DOCKET NO. DMEA-2341

EXHIBIT "A"

Description of the Work

The object of the work is to explore for copper ore in the area shown on map Exhibit "C" attached hereto and made a part hereof. There is to be 100 feet of drifting on ore showings on the Main Tunnel level, and there will also be sunk 100 feet, a vertical shaft, consisting of a main compartment and a manway, approximately 5 feet by 5 feet and 2 feet by 5 feet respectively, in the clear. The shaft will be properly timbered. There is to be 350 feet of exploratory drifting or crosscutting on the 100 foot level.

All drifts or crosscuts are to be 5 feet by 7 feet in the clear of any timbering that may be necessary, and there is to be a small station and skip pocket excavated on the 100 foot level. The direction and extent of all work will be determined with the approval of the Government.

Agreed Estimated Costs

Drift 100 feet on the Main Tunnel level @ $25/ft.	$ 2,500.00	
Sink shaft 100 feet @ $88/ft.	8,800.00	
Drifting 350 feet on 100-foot level @ $30/ft.	10,500.00	
Excavate station and skip pocket on 100-foot level 1/	500.00	
Total Agreed Estimated Cost		$22,300.00
Government Participation @ 50%		$11,150.00

1/ The unit shall be the entire job.

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of the Owner's Consent to Lien, as set forth in paragraph 2(b) of the attached Exploration Project Contract, the undersigned hereby guarantees the payment to the United States of America of royalties, as specified in said Contract and any amendment thereof, upon any and all ore discovered or developed as a result of said Contract and any amendment thereof, which is mined within 10 years from the date of said Contract, whether or not the undersigned has any interest in the property, covered by the said Contract, or any part in the mining operations at the time said ore is mined. If for any reason the net smelter returns or other net amounts, from operations that would be subject, under said Contract and any amendment thereof, to such payments to the United States of America, are not available as a means of measuring the amount of such payment, then the undersigned agrees and undertakes to make such payment according to the best estimates of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agrees that the determination thereof by either the Administrator of Defense Minerals Exploration Administration, or his designee, shall be final and binding upon the undersigned.

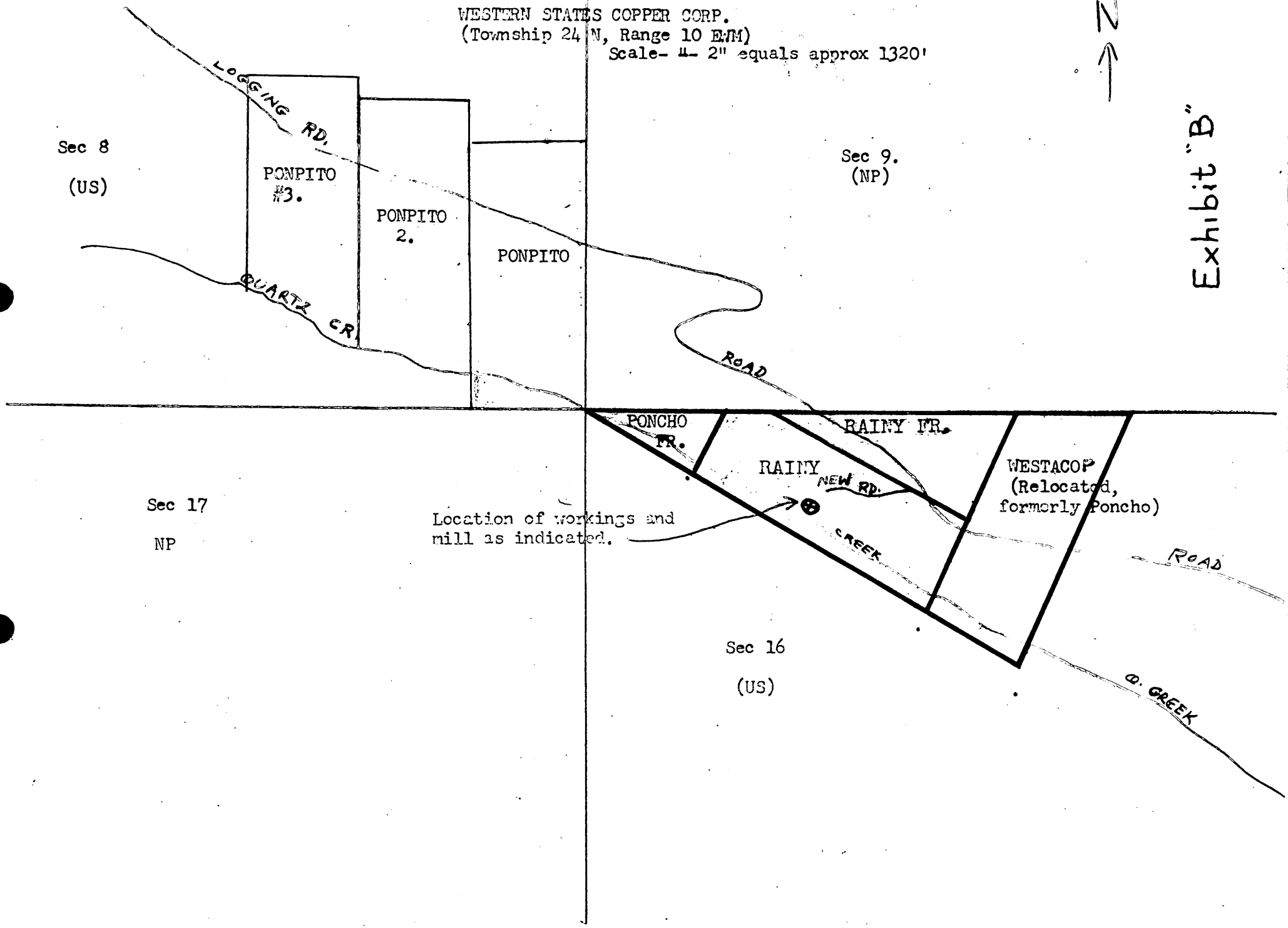
Dated Oct 11th, 1952.

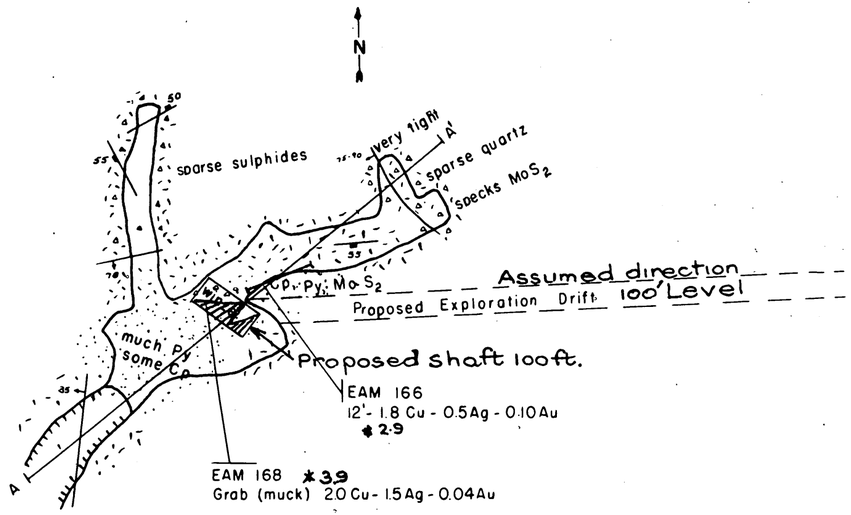
By Charles Sisenvine

I, Erral Sisenvine, certify that I am the Treasurer---- secretary of the corporation named as Guarantor herein; that Charles Sisenvine, who signed this guaranty, was then President of said corporation; that said guaranty was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

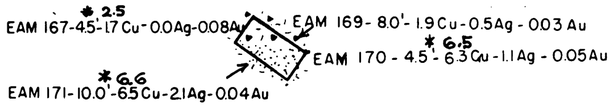
Erral Sisenvine [Corporate Seal]

WESTERN STATES COPPER CORP.
(Township 24 N, Range 10 E/M)
Scale- 2" equals approx 1320'



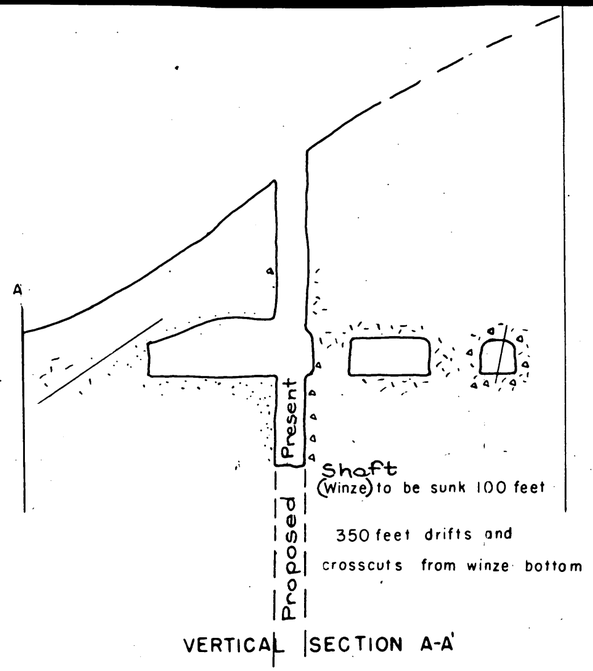


PLAN OF MAIN LEVEL



PLAN OF WINZE WITH SAMPLES 9 FEET BELOW MAIN LEVEL

* Assays U.S.B.M. Albany



VERTICAL SECTION A-A'

LEGEND

Strongly Mineralized Breccia

Sparsely Mineralized Breccia

Unbrecciated Granodiorite

Unconsolidated Overburden

Strike and dip of joints

Fault, showing dip

MAIN WORKINGS ON RAINY CLAIM, WESTERN STATES COPPER CORPORATION (Showing proposed exploration)

SECTION 16, T. 24 N., R. 10 E., W.M., KING COUNTY, WASHINGTON

Scale 20 0 20 40 Feet

Exhibit "C"

Brunton and tape survey
E.A. Magill, USBM, W.P. Puffett, USGS
Geology by Puffett
April 23, 1952