DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE — Idm-E NO. 436 — DMEA NO. 2341

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [x] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

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

Folders No. 3 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Reported Inactive 12/28/59

17963

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-E436 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.

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 I, Spokane, Washington, pertaining to Contract No. Idm-8454, Docket No. DMEA-2341 (Copper), dated November 6, 1952, with

Western States Copper Corporation
5905 Phinney Avenue
Seattle 5, 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 5, 1955, 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 15 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 $5,413.00.

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 $25,322.73. Royalty due the Government at rates specified in the contract is $1,266.14.

A prior royalty audit report dated May 21, 1956, found the sales subject to Government royalty through May 16, 1956, to be $14,770.55 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-8436 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	139.4750 SDT		368.1985 SDT	
Contents:				
Gold	54.401 oz.	$ 1,731.84	91.755 oz.	$ 2,919.67
Silver	1,912 oz.	1,647.88	3,343 oz.	2,846.84
Copper	71,715 lbs.	24,793.35	121,662 lbs.	39,912.73
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%		$ 1,264.14		$ 2,004.66

The last sale included in the above tabulation was covered by settlement lot No. 3376, settled November 13, 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 I, 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 59

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

RECEIVED
MAY 31 1956

Klugerbaid
Betty

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, DMEA-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 DMEA 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

Operator admits - but says he's broke!

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

May 21, 1956

RECEIVED
MAY 31 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 Ldm-E 436, DMRA-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 Siscovine, 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.

RECEIVED
MAY 3 1 1956

III. SCOPE OF AUDIT AND FINDINGS

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

EXHIBIT "A"

Contract Ida-E 436
DMEA-2341 (Copper)

WESTERN STATES COPPER CORPORATION

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

Settlement Sheet			Net Proceeds		Royalty @ 5%		
	Purchaser:	Tacoma Smelter, A.S. & R.Co.					
Lot No.	Date	SDT	Amount	Per SDT	Due	Paid	Unpaid
2639	9/23/53	31.1875	$ 988.31	$ 31.69	$ 49.42	$ -o-	$ 49.42
2004	9/ 2/54	10.0835	409.86	40.64	20.49	-o-	20.49
2139	9/24/54	13.1635	710.25	53.95	35.51	-o-	35.51
2322	10/ 8/54	7.1715	391.85	54.63	19.59	-o-	19.59
2695	11/16/54	13.0790	896.83	68.57	44.84	-o-	44.84
2707	11/19/54	8.1405	403.54	49.57	20.18	-o-	20.18
2883	12/ 7/54	9.6090	425.83	44.27	21.29	-o-	21.29
2932	12/15/54	12.3415	998.52	80.26	49.53	-o-	49.53
3010	12/23/54	6.6930	278.58	41.62	13.93	-o-	13.93
3023	12/23/54	6.0590	380.33	62.81	19.02	-o-	19.02
2073	9/ 8/55	31.3445	3,548.69	113.21	177.43	-o-	177.43
2114	9/12/55	18.3400	1,139.33	62.12	56.97	-o-	56.97
2547	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	-o-
3180	12/12/55	9.0605	502.07	55.42	25.10	25.10	-o-
Totals		208.7235	$14,770.55		$738.52	$210.33	$528.19

Check Sheet of Examining Engineer

RECEIVED
MAY 31 1956

Operator's Name Western States Copper Corporation

Address 5905 Phinney Avenue

Seattle 3, Washington

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

	Check One Yes	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

File Copy
Surname
WPKlugescheid
Griswold
Burton
"Appd. Sol. Off."
Talbot
Geehan
Nelson
Selfridge
Johnson

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 Sisemrine, President
Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

Pursuant to the provisions of Exploration Project Contract No. Idm-E436, dated November 6, 1952, Docket No. DMEA-2341, 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 dioritic rocks.

Dated OCT 3 - 1955

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Administrator, Defense Minerals Exploration Administration

WPKlugescheid/er (written 9/27/55)
Copy to: Docket
Clarence Fredell, Dr., MD, EPS
Mr. Geehan, 3608
Mr. Kiilsgaard, 5224
Admr R File
Op. Committee
Base Metals
Cont.Adm.&Audit Div.
Finance Office
Region I, NW Dist. (2)
F. E. Johnson
W. R. Griswold
Chron.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
		220

Western States Copper Corporation
c/o Mr. Charles Simerson
1366 East Lake Avenue
Seattle, Washington

1968

Re: IMEA-2341 (Copper)
Western States Copper Corp.
Rainy Mine
King County, Washington
Contract Ida-8436

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated October 3, 1955, all minerals mined or produced from November 6, 1952, to November 6, 1965, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

(Sgd.) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Mr. Maurice F. Galbreath, 14727 35 Avenue, N.E., Seattle, Washington
Director's Reading File
Division File
Economic Geology File
OME Reading File
120M
Region I w/cy of incoming 63
Branch of Budget & Finance

GCSelfridge/mm (3/3/66)

23263

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, Auditor

Docket copy

RECEIVED
DEC 12 1955

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-2436, 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 Noble Lesemore Pres

Ruth Denyer
"Appd. Sol. Off."
Hugesheid
Chamber
Nelson
Selfridge

Docket 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 P Mathews
Administrator, Defense Minerals Exploration Administration

Philip Hoffling
Ellis Ching
Chapman Selfridge

WESTERN STATES COPPER CORPORATION

By Charles Lessing
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

DOCKET COPY

Pertin
8/27/4

(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 within (No. of days) of the date of the contract and the~~ completion period 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 Charles Lessenwise
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-1436
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

DCKane 11/10/53
DOCKET COPY.

(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~~ ~~(No. of days)~~ ~~to~~ ~~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 Lisemore 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-2436
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) DOCKET COPY

ockane 2/-/53

AMENDMENT NO. 2

Docket No. DMA 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 Copper Corporation, a Washington corporation, 5085 Whitney 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 Mm-2436 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 Orol Swenson
Secy Treas

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 0 1953

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.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2341

COMMODITY Copper

Docket Copy
IDM-E 436

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1952

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, Centacop, 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*) [redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession [redacted]
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 6 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 land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *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

By C. P. Mitteendorf
Administrator, Defense Minerals Exploration Administration

Western States Copper Corporation
(Operator)

By Charles Lisenvine
Pres.

I, Erral Lisenvine, certify that I am the Sec'y Treas of the corporation named as Operator herein; that Charles Lisenvine President, who signed this contract on behalf of the Operator, was then secretary 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 "3" 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.

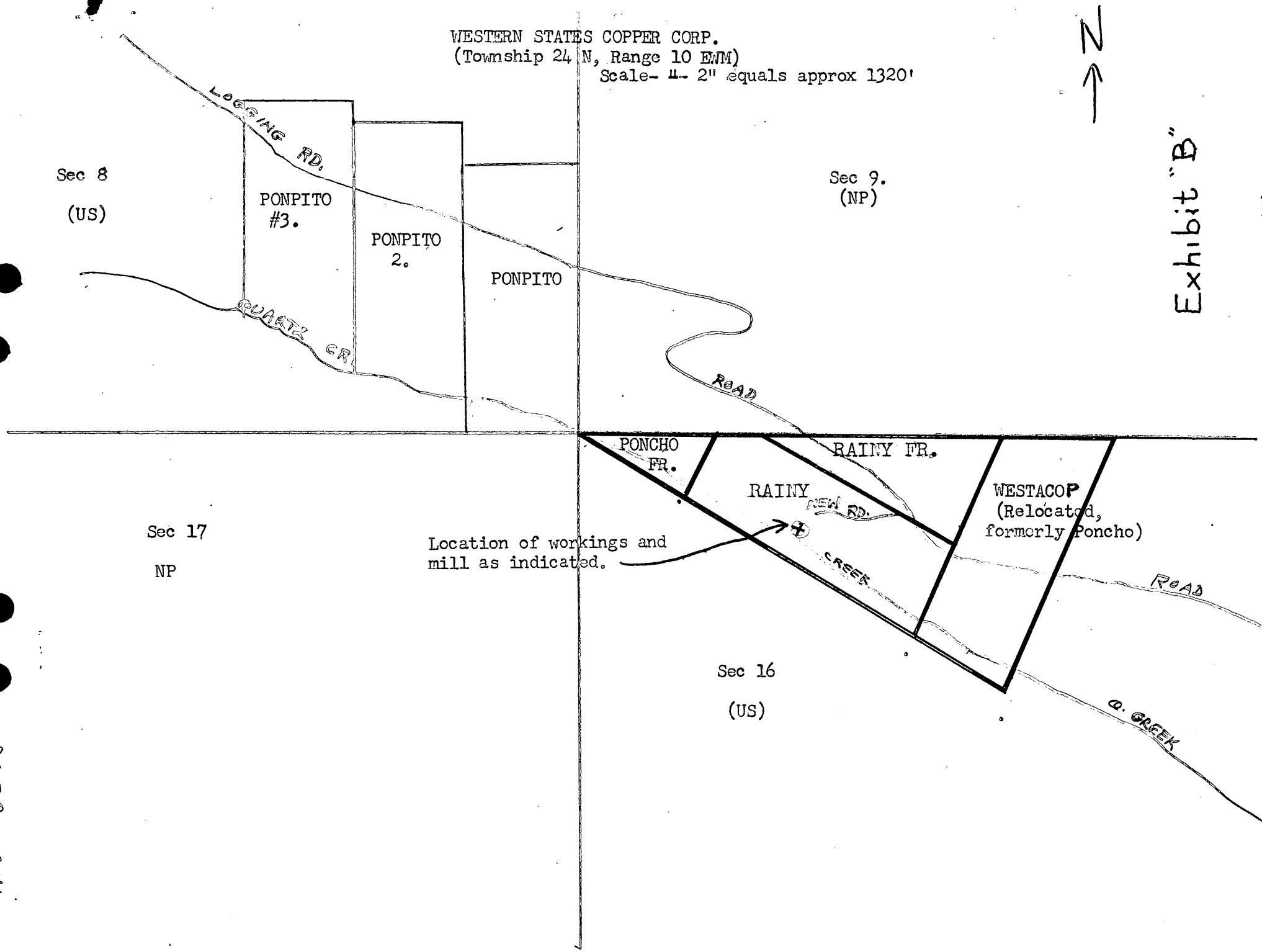
All drifts or crosscuts are to be 5 feet by 7 feet in the clear of any timbering that may be necessary, and there is to be a small station and skip pocket excavated on the 100 foot level. The direction and extent of all work will be determined with the approval of the Government.

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 level1/	500.00	
Total Agreed Estimated Cost		$22,300.00
Government Participation @ 50%		$11,150.00

1/ The unit shall be the entire job.

WESTERN STATES COPPER CORP.
(Township 24 N, Range 10 EWM)
Scale- 2" equals approx 1320'



DMEA-2341

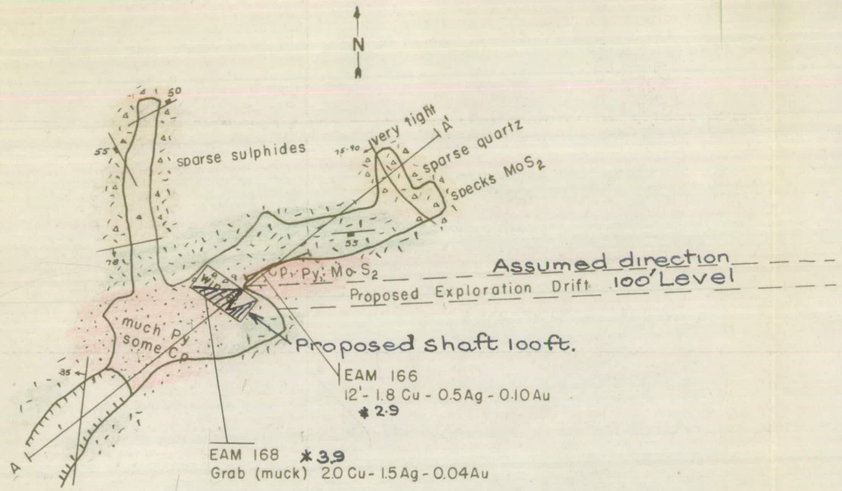
HEmlock 6,800

NORTHWESTERN REALTY CO.

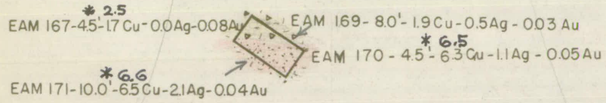
REAL ESTATE • CONSTRUCTION • COMMERCIAL

5905 Phinney Ave.

SEATTLE 3, WASHINGTON

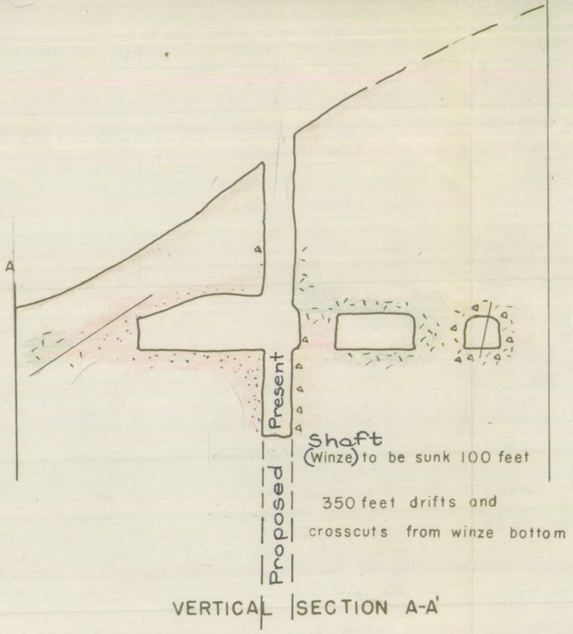


PLAN OF MAIN LEVEL



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

10/16/52 gla

WESTERN STATES COPPER CORPORATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

Seattle Wash.
Oct 11th 1952

Mr E.M.Ellis
D.M.E.A.
Washington, 25, DC.

Re: Docket DMEA #2341 (Copper)

Dear Sir:-

In reply to your letter of October 1st, 1952, regarding our responsibility for royalty payments in lieu of "Owners Consent to Lien." Before going into the points requested, let me make it plain that we have no record of past successful operation on this property. This is a new Company, a new property, requesting financial assistance for exploration. The private investment in the property which has brought it to the point of production but as yet, not resulting in income, should be considered and should warrant preferential treatment of our application, as compared to those applications which are merely prospect holes. We have a complete modern concentrating plant set up on the property which puts us in the position of being able to realize cash in smelter returns almost immediately, thereby assuring much more prompt repayment to the government than in the usual case. Other than the physical development and improvements on the property, we will not show much in bank balances or past income statements. However, your justification for the loan should be in the integrity of the operators and Directors, and in the visual evidence of what has been done to bring a new property into operation.
It is my opinion that the owners refusal to sign the "Consent to Lien" is based entirely on a calculated plan to create difficulties for us, hoping in some abstract manner that they will benefit themselves by not cooperating with us. They have given no valid reason for the refusal.

1. University National Bank, Seattle Wash. (Mr Brevig or Mr Nuelson, ref.) (Their information will probably be more applicable to myself than the Corporation, as I have dealt with this bank many years before the Corporation was formed.)

2. Per separate pages.

3. None. (only trial or test shipments sent to smelter.

4. Not rated, so far as I know. However, the Corporation is registered with the U.S.Securities & Exchange Commission, also Dept. of Licenses, State of Washington.

WESTERN STATES COPPER CORPORATION

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

5. President; Charles Sisenvine. Nominally successful Seattle business man with good background of business experience. His personal investment in the property about $40,000 in cash. Actively engaged in development of this property. Licensed State of Washington Real Estate Broker for many years, operating as Northwestern Realty Company. Property owner, member of Seattle Real Estate Board, etc. Good reputation, highest references obtainable.

Vice Pres.; Florin H Cook. Seattle insurance and real estate man. Excellent personal and business references. (Licensed for insurance, securities and real estate.

Sec-Treasurer:- Erral Sisenvine, wife of President. Book-keeper, accountant, excellent business references.

Corporation Counsel and Director; John T Dalton. Prominent Seattle attorney. Mining legal experience, highest reputation, actively and financially interested in this development.

General Mining Superintendent and Director, Brede Knudsen; Widely experienced mine operator. Finest local references obtainable as to his knowledge and technical experience.

The three named officers are also directors in the Company.
Both Senator Warren Magnuson and Rep. Hugh Mitchell have worked on certain matters for the benefit of the Company, particularly in reference to road agreements and right of ways, and are somewhat familiar with our operations, both being friends of Mr Dalton, our Attorney and Director. If it would be helpful to our purpose, I think we could request Senator Magnuson to come out on our behalf. However, I do not think that influence or "suggestion" should enter into a bona fide application such as ours. I am sure that your Department detests that sort of thing as much as we detest asking favors. As you know, in addition to copper, gold and silver our property has shown small amounts of tungsten, molybdenum and uranium. We honestly feel that we have a far better than average opportunity here to bring in a profitably operating mine. Lack of working capital prevents going ahead with our shaft sinking program which we feel is most important at this time. We wish to continue operation thru the winter but without a quick commitment from you, I am afraid we will be compelled to shut down immediately. With your help we will be able to have mill feed, making shipments before long to the smelter and at least in a small way doing our part to alleviate the copper shortgage. After all, your exploration program is to make known and available new sources of essential metal. The fact that we are in a position to exploit and produce copper for actual consumption instead of merely determining the existance of a deposit should certainly be a favorable factor in your decision. I trust that if you find the enclosed information to your satisfaction that you will act quickly and without delay. Your assistance is needed immediately.

Yours Very Truly,

Charles Sisenvine

Charles Sisenvine, Pres.
Western States Copper Corp.

CS/es

WESTERN STATES COPPER CORPORATION

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

STATEMENT OF ASSETS AND LIABILITIES
as of September 30, 1952

ASSETS

Cash in Bank	897.84
Inventories	
Raw Materials	12,500.00
Miscellanious	56.17
Development, bldgs., equip., machinery, trucks, etc.	102,799.66
Lease	27,385.00
TOTAL ASSETS	$143,638.64

LIABILITIES

Notes Payable	
To Directors	12,086.73
To Creditors	5,406.77
Accounts payable	10,555.03
Deferred Income	10,600.00
	$38,648.53

CAPITAL

Commons Stock 229,797 issued	70,540.11
Preferred Stock 29,345 issued	29,345.00
Paid in Surplus	5,105.00
	$104,990.11

Assets $143,638.64 Liabilities $143,638.64

NET ASSETS $104,990.11

SEAL

Erral Sisenvine
(Mrs) Erral Sisenvine
Sec'y-Treas.

October 13, 1952

C O P Y

WILLIAM L. GRILL
Attorney at Law
Colman Building
Seattle

September 10, 1952

Western States Copper Corporation
5905 Phinney Avenue
Seattle, Washington

Attention: Mr. Charles Sisenvine, President

Re: DMEA 2341

Gentlemen:

This is to advise you that the owners, M. F. Gilbreath, E. L. Bethel, and W. L. Grill, of the Rainy unpatented mining claim and Rainy Fraction unpatented mining claim, located in King County, Washington, refuse to execute the owners consent to lien required in connection with your application described in the caption above.

Very truly,

W. L. Grill S/D

MEA-2341

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

January 18, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Dear Sir:

Enclosed are three copies of Form MF-100 and Form MF-103, submitted by Western States Copper Corporation, 5905 Phinney Avenue, Seattle 3, Washington. This application for exploration assistance concerns the Rainy Mining Claim, King County, Washington.

Western States Copper Corporation submitted an application for DMEA assistance during the early part of 1951. As a result of this application, their property was examined by Mr. Elton Youngberg, Geologist, USGS, who recommended that the application be denied on the grounds of insufficient geologic evidence. Mr. Youngberg pointed out, however, that further exploration of the property might yield sufficient evidence to warrant another application. Western States Copper Corporation has evidently done a sufficient amount of exploration work during the past summer to feel that their property now warrants further consideration.

The property is now inaccessible, owing to winter conditions. However, one copy of Form MF-100 and Form MF-103 is being retained at this office to facilitate another DMEA field examination, should such an examination be requested.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn,
Executive Officer, DMEA
Field Team, Region II

Enclosures.

c.c. U. S. Bureau of Mines

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DME A-2341
Metal or Mineral
Date Received 1-21-52
Amount $
Participation (Government %)

Name and address of applicant

WESTERN STATES COPPER CORP.
5905 PHINNEY AVE.
SEATTLE 3, WASH.

Date December 28, 1951

If you have already filed MF-100, give date filed Sent with MF-103 type of assistance requested MO-5 or 50%,

DMA Docket Number (if available) DMA-952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1952

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

(*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

(2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

(*a*) What metals or minerals do you expect to find?

(*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

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

CERTIFICATION

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

Western States Copper Corp. (Name of company) By Charles Lusewine (Signature of authorized official)

Dec. 28, 1951 (Date) President (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Form MF - 103

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5.

1. (a) 7 Mining Claims in Northwest Quarter of Section 16, and the South-east Quarter of Section 8, TWP 24N, Range 10E, King County, Washington. On and near Quartz Creek, a feeder stream of the Taylor River. (Middle Fork of the Snoqualmie River). In the Snoqualmie National Forest.

   (b) Copy of the Lease Agreement enclosed.

   (c) Legal Description same as given in (a) above.

2. (a) Copper, Molybdenite and Tungsten.

   (b) Bornite.

3. (a) Continued sinking of shaft on rich lense (all started), driving of new tunnels from shaft and extension of present drifts on the vein.

   COST OF PROJECT

   (b) Ready to start immediately, 5 months to complete project.

4. Map enclosed.

5. Compressor, drilling equipment, air lines, tramway, bunker, mucking equipm ent, light plant, powder house, mill building, etc. All are in good and operating condition. Building are all new.

6. None. All complete.

Form MF -103

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5.

Continued.....

7.	(a) Compressor & drilling equipment to be rented to the project @ $150 per Mo.	5 months	$750.	
	(b) New Jack Hammer, with steel & tungston bits to be purchased,	Approx. cost	350.	
	(c) All other equipment to be furnished by us		---------	
		Total	$1100	$1100.00
8.	(a) 1 - Mine Superintendent @ 600 per mo.	5 mos.	3000.	
	(b) 4- Miners, base pay $1.75 per hour approx. $400. per month	5 months	8000.	
	(c) 1- General Manager- purchase and deliver equipment, material, supplies. @ $350 per mo.		1750.	
		Total	$ 12,750.00	$13,850.00

Form MF-103

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5.
Continued.....

	COSTS BROUGHT FORWARD	$13,850.00
9.	Accounting @ $200 per mo. 5 months	1,000.00
	Dynamite	675.00
	Gasoline	1,450.00
	Drill steel & bit replacement	187.00
	Engineering Services.	250.00
	Assaying	100.00
	Compulsory State Industrial Insurance. Rate @ .125 cents per man hour.. Approx $25 per mo. per man	525.00
	Social Security on workmen @ 1½%	165.00
	Misc. other ins. on men.	318.75
	Maintenance, repairs, depreciation & use of trucks and other rolling stock for transportation of men, equipment and material @ $100 per mo.	500.00
	Road use fee to North Bend Timber Company @ $250 per mo	1,250.00
	Heating oil for miners quarters.	78.00
	Completion & improvement of miners living qrtrs.	195.00
	Mine props and timbers, ladders, etc.	650.00
	Air pipe line & fittings for shaft & tunnel extens, used.	200.00
	Misc. materials and expense.	675.00
	Item No. 9 total	$8,218.75
	Grand total Cost of Project	$22,068.75

10. (a) Any portion agreed upon by the Government 50 percent

(b) Yes.

WESTERN STATES COPPER CORPORATION
5905 phinney Avenue
Seattle, 3, Washington

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5.

11. This property has been developed during the past 14 months too the point where the operators have acquired and partially installed practically complete equipment for mining, milling and concentrating of Copper Ore. Over 500 Tons of good mill ore is now on the dump, buildings mostly completed and new main shaft commenced. The shaft is 7'x11' and is being sunk on the vein, which is almost vertical and very rich. However, lack of funds to complete the mill construction has caused a work stoppage. It has been decided that until such time as we can make all our own arrangements for completion of the mill and operation of same, that an underground exploration program should be undertaken. It is for the purpose of carrying on this underground exploration that this application is made. It is felt that more benefits can be derived from tunnel and shaft driving program than from diamond drilling in as much as the present workings are now in good Ore. Numerous assays all show good Copper values and numerous stringers and bunches of Molybdenite have been taken out. Very recent tests show the presence of Scheelite and in some quantities, which is expected to improve with further drifting. The property was inspected this summer by a Bureau of Mines Inspection Team from Spokane, Washington and I presume their report is on file at the Spokane Field Office. However, considerable work has been done since they were on the property with great improvement in value. They inspected the property for the purpose of a Production Loan, however, than an Exploration Loan. It is my understanding that the decision was that were not sufficiently developed to warrant a Production Loan.

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

L E A S E

THIS LEASE granted June 18, 1951, between W. L. Grill, M. F. Gilbreath and H. L. Bethel, and their respective wives, Lessors, and Western States Copper Corporation, a Washington corporation, Lessee.

W I T N E S S E T H:

That said Lessors as owners of the "Rainy Mining Claim" an unpatented mining claim located in King County, Washington, notice of location of which is recorded on page 131 of Book 16 in the County Recorders Office, Seattle, Washington, and of the "Rainy Fraction Claim" an unpatented mining claim located in King County, Washington, notice of location of which is recorded in the above mentioned office, hereby Lease this claim to Lessee, who hereby accept said lease on the following terms and conditions:

1. The term of this Lease shall be from the 14th day of December, 1951 for a term of five years unless sooner terminated or otherwise extended by the parties hereto by operation of law or the provisions of this Lease.

2. The Lessee shall operate the mine workings of said property with at least fifty ships per year and in connection with this the Lessee will record the preformance of annual labor at least 30 days of the due date for recording the same in the County Records of King County, Washington each year for and on the behalf of the Lessors.

3. After commencement of operations herein, he shall have the sole and exclusive right to mine and operate said property and remove the ores and minerals therefrom. He shall pay to Lessors Fifteen percent (15%) of the production of all gold, metals and values extracted by Less ee from said premises, based on net smelter returns, on the first Ten Thousand Dollars ($10,000.00), and Eighteen percent (18%) on all values thereafter. Settlement shall be made between the 1st and 10th day of each month covering the previous months operation and extraction of values. At said time and with statements of settlement so made, said Lessee shall furnish to Lessors a duplicate copy and completed statement of all sales of metals produced from said property and sold during the previous month. It is further agreed that Lessee shall pay a minium of not less than Three Hundred Dollars ($300.00) per year to Lessors and that should the amount of royalties each year in the aggregate paid to Lessors be under Three H undred Dollars ($300.00) the difference between the amounts paid as gross [illegible] and the Three Hundred Dollars ($300.00) shall be paid in cash during

the first fifteen days of January of each year. However, this stipulation shall not apply if operation is discontinued and property turned back to the Lessors by the Lessee .

4. 4. That if the said Lessee shall install upon said leased property a mill having a minimum capacity of thirty (30) tons of ore per day, for the purpose of milling and concentrating ores mined from said leased property, (but nothing herein or in said Lease contained requires the Lessee to erect and operate a mill upon or in connection with said leased property) the Lessors agreee to accept as compensation for all ore mined from said claims and milled in said mill, ten (10% percent of the net smelter returns received therefrom in the place and stead of the percentages provided in Item 5 of this lease: but said percentages shall remain as to all ore mined from said premises and shipped directly to the smelter.

The Lessors, if they so desire, may require the smelter or smelters handling said ore and/or concentrates, to make payment directly to them of their proportion of the net smelter returns as fixed under said Lease and hereunder.

5. Lessee agrees to keep proper books of account covering the production and sale of all metals produced or values extracted by the Lessee hereunder, and on a monthly basis, which records will be open to the inspection of Lessors or their duly authorized agent at all times during reasonable business hours. Said Lessors also, at their own risk, shall have the right to enter upon or in said property herein leased at all reasonable times for the purpose of sampling and testing ores or other examination, at their cost and expense and without unduly interfering in any way with the operations so conducted by the Lessee.

6. Lessors may post notices of non-liability and keep the same posted and Lessee agrees to keep said notices posted and to see that the same are not destroyed or removed from said property during the term of Lease.

7. Lessee at all times shall conduct his operations on said described property at his own cost and expense as an independent contractor and not as an agent for said Lessors in any and all operations on and in said property so conducted by him. Said Lessee likewise shall conform to and comply with all Federal, State and local laws and ordinances now in force or hereafter to be enacted relative to conducting mining operations; he shall commit no waste on or in said property and shall conduct his operations in a minerlike ~~xx~~ manner.

8. Upon termination of this Lease and option other than by the purchase of said property by Lessee, said Lessors may retake possession thereof with or without process of law, and Lessee agrees peaceably to surrender possession of said property, In the event of termination of the Lease the Lessee shall have sixty days after termination within which to remove any machinery or equipment placed by him on or in said property, however, said Lessee shall not remove any timbers or materials placed in said mine which will cause injury or damage thereto, but Lesse shall leave said premises in good condition, reasonable wear and tear and action of the elements excepted. It is further agreed in the event of such termination of this Lease and option as above mentioned, that Lessee shall not be obligated to make any further payments hereunder except as may then be due and payable; and said Lessors shall retain any and all payments theretofore made and then due and payable as a rental for the use of said property and as a consieration for this Lease and as liquidated damages, but not as a penalty.

9. The Lessors agree that if the Lessee shall erect said mill upon said leased property (but they are not required so to do hereunder or under said Lease) for the purpose of milling said ore produced from said mining claims leased hereunder, the said Lesse may bave the option of renewing said Lease for an additional period of five (5) years from the expiration date of the original lease, and on the same terms and conditions provided for therin and herein provided that six (6) months written notice of said intention to renew said Lease is given prior to the expiration of said Lease.

10. Lessee may make one assignment of this Lease to responsible parties but Lessors shall first be notified thereof and said parties to whom assignment is made shall agree in writing to fully carry out the terms and conditions thereof in all respects as agreed by Lessee herein and before being allowed to enter upon and conduct operations in and on said property hereby leased.

11. The benefits hereunder shall inure to and the terms and conditions shall hereof be binding upon the respective Lessors and Lesse, their heirs, executors, administrators and successors in interest with the limitations of assignment as above set forth.

12. That the Lessee has been informed and understands that the claim of the Lessors overlaps a small portion of land belonging to the Northern Pacific Railway Company on the northwest corner of said claim, and that the Lessors will, within the year 1951, place the proper corner stake on the Northwest corner of the said claim.

13. The consideration for the granting of this Lease is the sum of One Dollar ($1.00) in hand paid to the Lessors by the Lessee herein.

WHEREFORE we have hereunto set our hands and seals this the 18th Day of June, 1951

W. L. Grill Lessor (Signed)

M. F. Gilbreath Lessor " "

H. L. Bethel Lessor " "

WESTERN STATES COPPER CORPORATION

By Charles Sisenvine, President (Signed

ATTEST:

Erral Sisenvine, Secretary (Signed)

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me W. L. Grill, H. L Bethel, M. F. Gilbreath to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged that they executed the same of their free and voluntary act and deed for the uses and purposes therein mentioned.

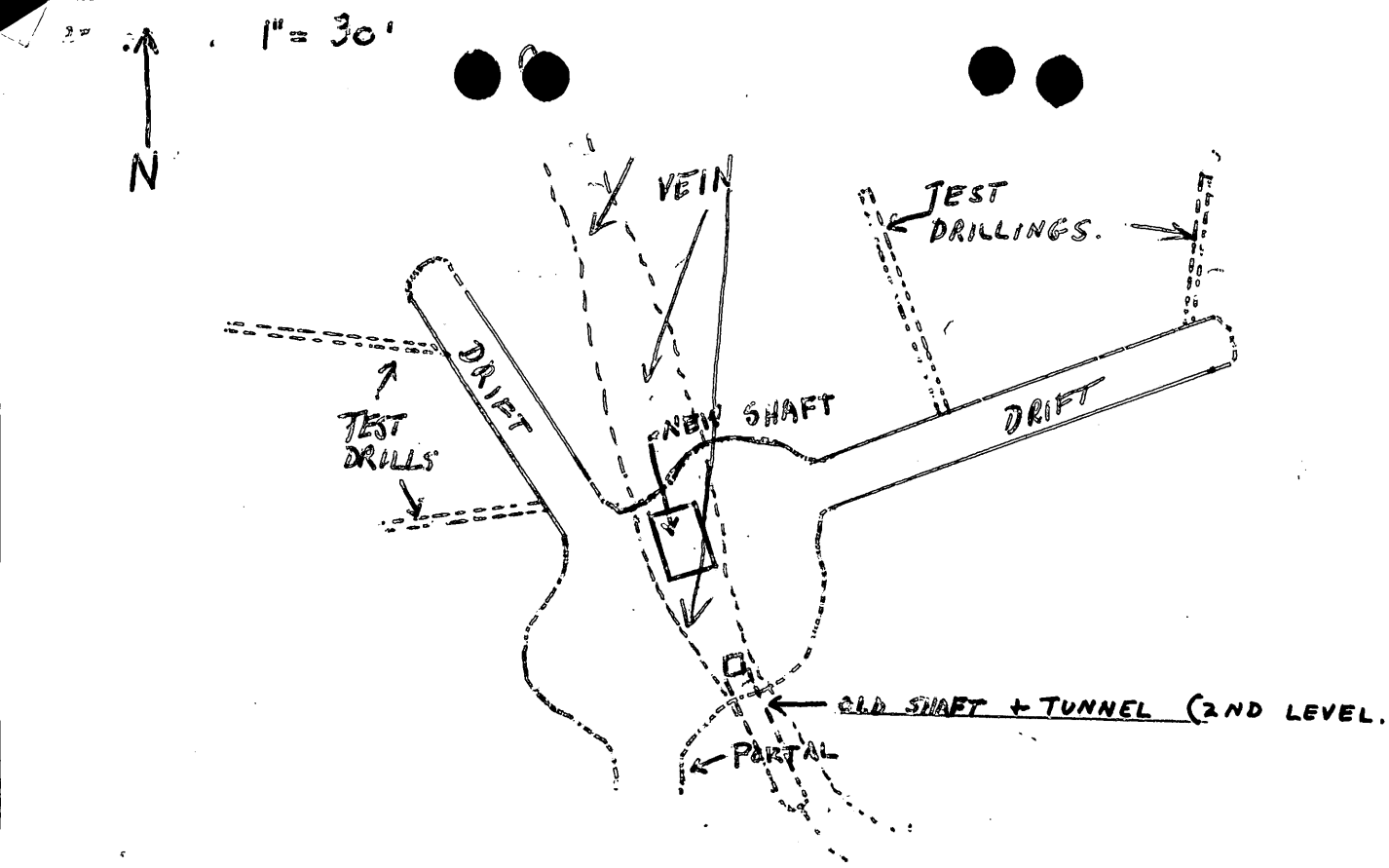
GIVEN under my hand and official seal this the 18th day of June, 1951.

Robert C. Bibb

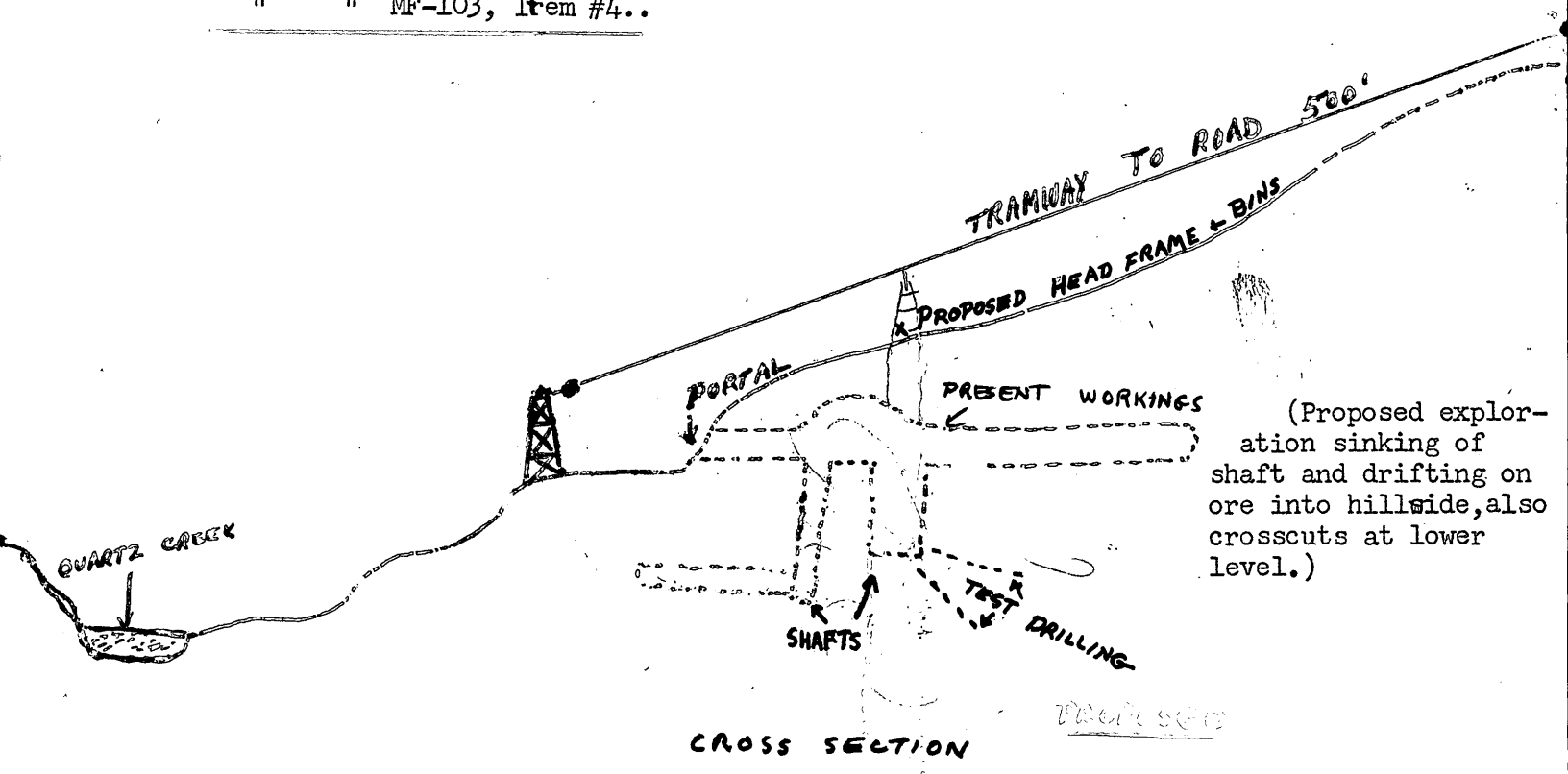
Notary Public in and for the State of Washington, residing at Seattle.

This Lease agreement is on file at the office of Robert A. Morris, County Auditor, Seattle, King County, Washington.

Western States Copper Corp.



SKETCH FOR MF-100, Item #12. (B)
" " MF-103, Item #4..



(Proposed exploration sinking of shaft and drifting on ore into hillside, also crosscuts at lower level.)

"RAINY MINE"

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMEA 2341

Date received

WESTERN STATES COPPER CORP.
5905 PHINNEY AVE.
SEATTLE 3, WASH.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1952

Name and address of applicant

Date Dec. 28, 1951

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

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

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

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

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

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Charles Sisenvine	President D	None Paid	850,000	120,000	None	None	None
Erral Sisenvine	Sec'y-Treas D	" "		10	10	None	None
Florin H. Cook	Vice-Pres. D	" "	Not Known	10	10	None	None
John T. Dalton	Director	" "	Not Known	None	None	None	None
Brede Knutsen	Director	" "	Not Known	1000	None	None	None
John F. Geiger				13,000	500		
Sara & Karl Swanson				1,000	1,000		
Micheal Rosko				1,000	1,000		
Anton Olson				194	194		
Chris. & Karie Olson				500	500		
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

Total 136,714 3,214 Preferred

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	850,000	13,230.27	$ no par	31,670	None yet
Preferred stock	150,000	$7,037.00	$1.00	7,037	None yet.

*Indicate period covered.

10. Production: Not in production, but approximately 600 Tons ore now on dump.

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	None				
2. Quantity of product processed (specify unit of measure and type of process)	Not in Production				
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. Not known

12. Ore or Mineral Reserves:

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

Information on separate page.

16—63792-1

(*b*) If deposit is other tha[illegible]ace[illegible]

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

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

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	8000 Tons	3% Copper	(incl. gold) (25,[illegible] silver)	$22.00	$10.00
Indicated (probable)					

(*c*) If placer:

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

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

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

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

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

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

13. Access Roads:

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

14. Water Supply:

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

15. Power:

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

16. Labor:

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

17. Equipment and Facilities:

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

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

CERTIFICATION

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

Western States Copper Corp
(Name of company)

By Charles Lesemirne
(Signature of authorized official)

December 28, 1951
(Date)

Pres.
(Title)

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

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

Form MF -100

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

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

1. Materials produced:
   (a) Copper, Gold, Silver
   (b) None

2. None, type of mine, extent of workings:
   ~~(a)~~ "Rainy" claim: Hardrock mine.
   (a) 60 feet of shaft
   (b) 140 feet of drifts & cross drifts
   (c) None
   (d) None
   Mine not flooded.

3. For each operation listed above supply the following:
   (a) 18 miles to North Bend, Washington
   (b) Snoqualmie Mining District.
   (c) Section 9 and 16, Township 24, Range 10E North.
   (d) King County, Washington

4. (a) Development work in progress by the applicant.
   (b) Operating as Lessee.

5. Number of years in production. Not in production at this time. Estimated beginning in 2 months.

6. (a) The Corporations officers have operated a successful Real Estate, Timber land and land improvement business since 1945, with principal actual mining experience acquired in the past full year.

   (b) General Superintendent is Brede Knudsen, has had wide experience in all phases of mining for the past 30 years, including mill construction. He is known in the mining profession and highly recommended. All other help are experienced hard rock miners.

7. History:
   (a) No previous exploration or development done.
   (b) Not known.
   (c) See seperate engineers report.

Form MF -100

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

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

12. Ore or Mineral Reserves:

The Country Rock is mainly granite. The mineralized area now being worked is granite with large amounts of quartz, with extensive sulfide areas, copper and iron. The trend is Southeast to Northwest and outcrops on the strike are to be found for at least one quarter mile. The Copper is mainly in the form of Chalcopyrite, at times verging on Bornite and ore tests run by the Denver Equipment Company of Denver, Colo., show the gold and silver values are carried in the Chalcopyrite. Numerous assays have been made with Copper running from 2% to 8%, plus $5 to $10 per Ton in Gold and Silver. Numerous bunches and stringers of Molybdenite have been found and in recent tests under dark light show definite evidence of Scheelite.

A main shaft of 7'x11' was started this summer and the quality of the ore appears to improve with depth. The most predominate vein which is almost vertical is about 14' wide.

A trial shipment of 30 Tons sent to the Tacoma Smelter, Tacoma, Washington, in May 1951, showed an average value of $20 per Ton, but this shipment was of considerable poor grade ore than now encountered.

Form MP 100

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle, 3, Washington

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

Page 2. Continuation:

13. Access Roads:
16 miles of gravel road to shipping and supply point. Crew lives on property. The road to North Bend, Washington is in good condition, but the applicant has been compelled to pay $250 per month for the use of the road to St. Regis Pulp and Paper Company.

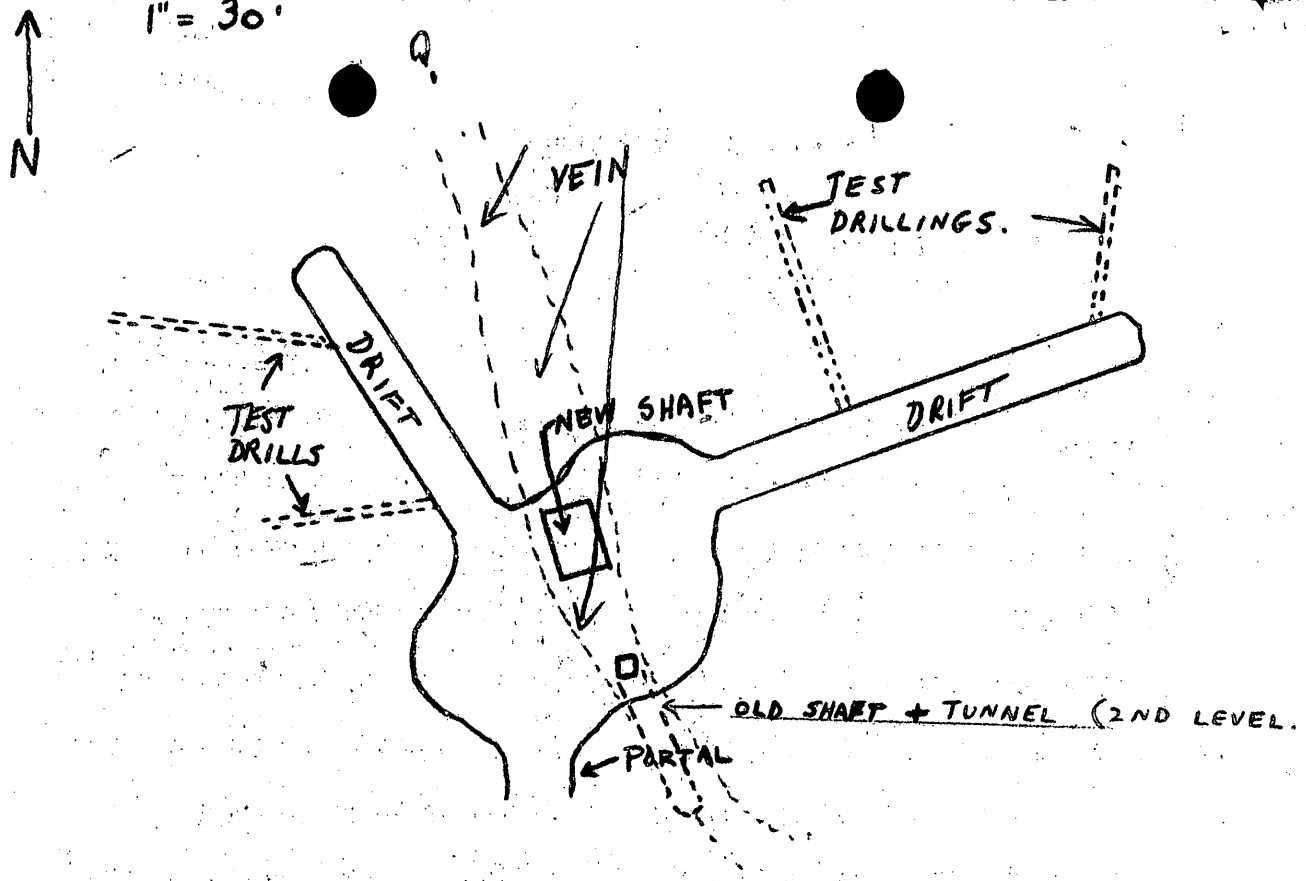
14. Water Supply:
Quartz Creek has large all year supply of water.

15. Power:
Power self-supplied by Diesel Generator plant.

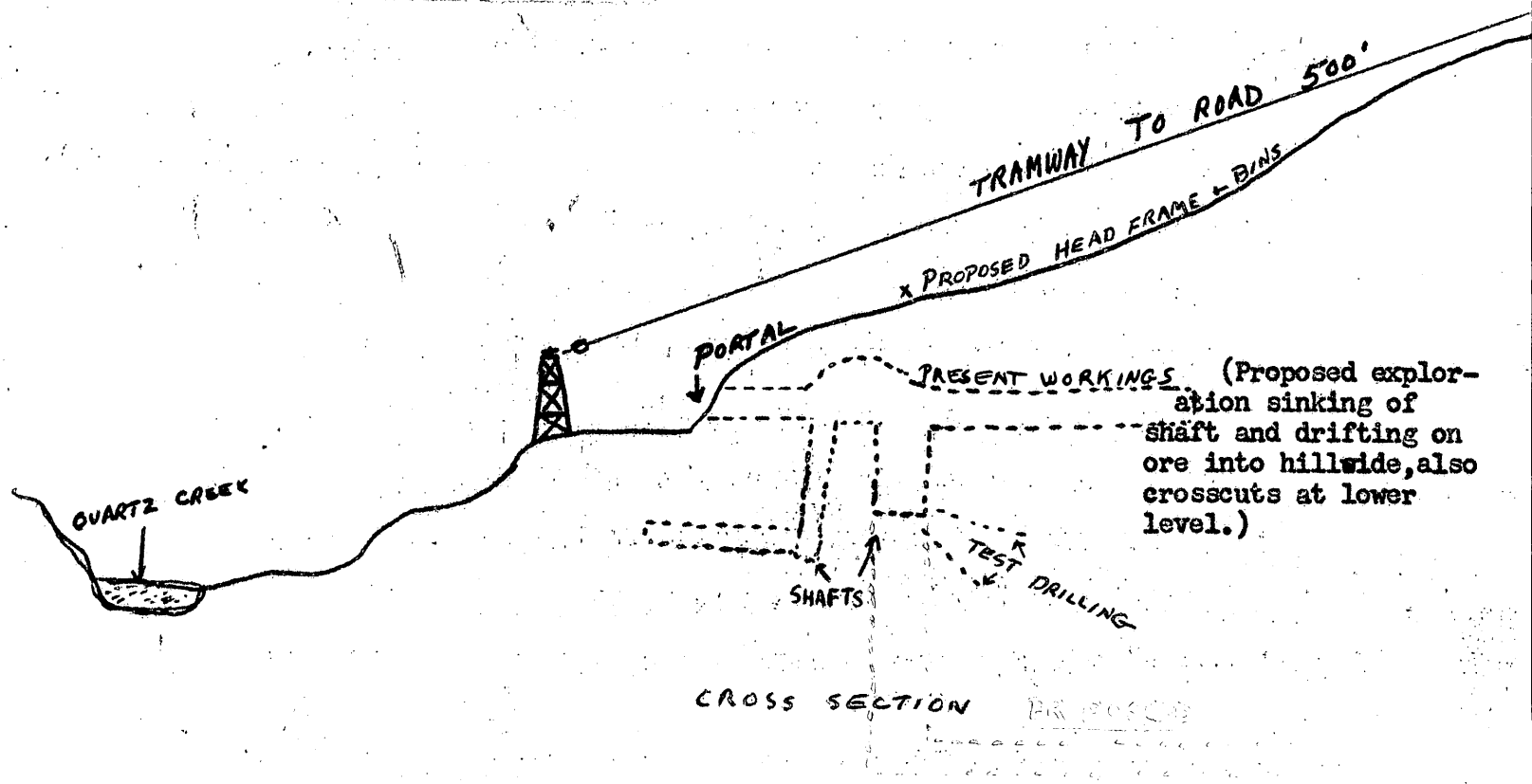
16. Labor:
Superintendent and 4 miners.

17. Equipment and facilities:
Loading platform; ore bunker; 500 ft. aerial tramway complete; 20x75 ft. mill building (new); small equipment building and shop. All buildings on property new and in good condition. Light plant; 360 cu. ft. air compressor with engine; misc. drifters and stopers with drill steel bits, etc; double drum hoist; air lines; water pipes; ore bucket; sump pump; 1 - 4x4 army truck. All equipment for this exploration work is on the property and owned by the applicant, with the exception of the air compressor and double drum hoist. These items are the property of another party and are being rented by the applicant.

18. No.

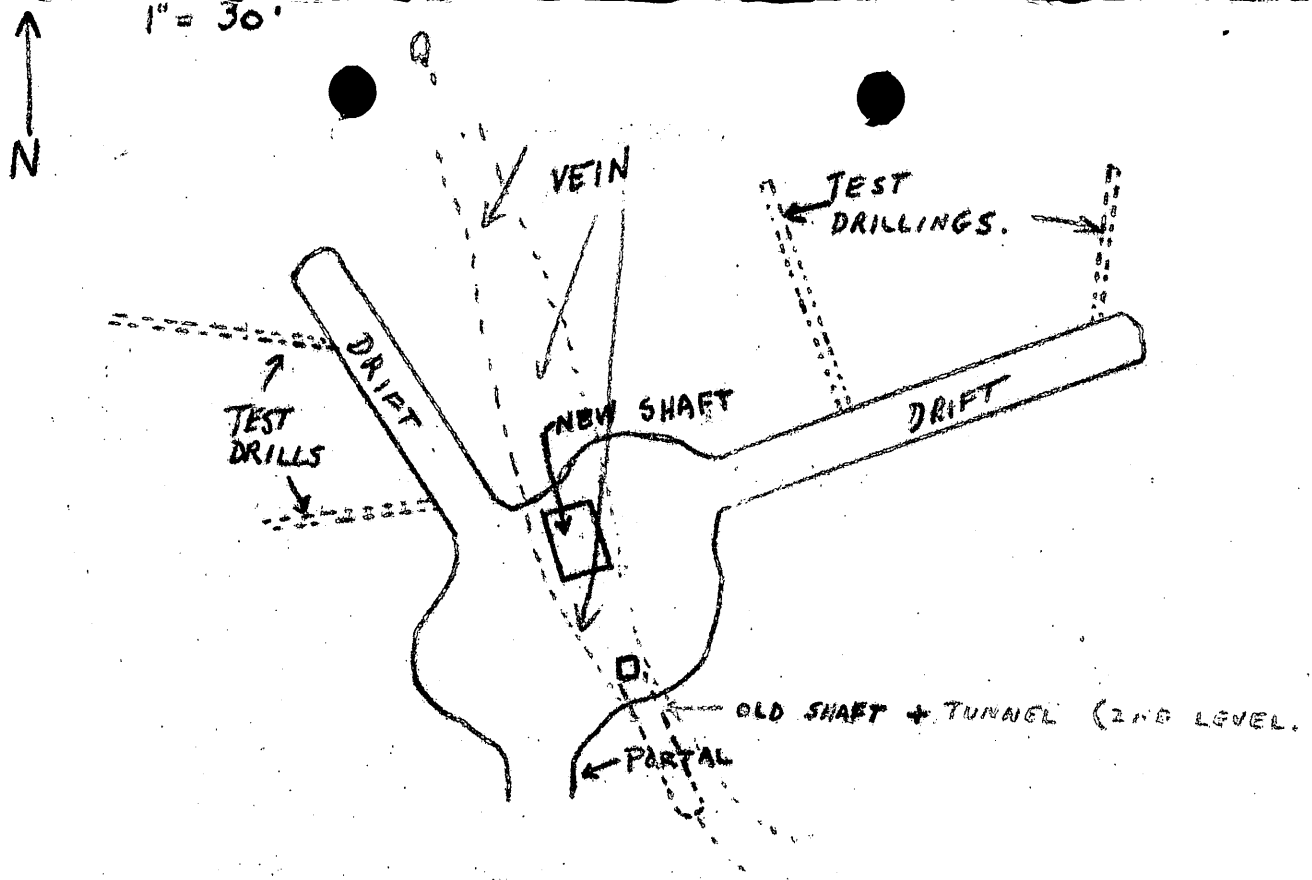


SKETCH FOR MF-100, Item #12. (B)
" " MF-103, Item #4..

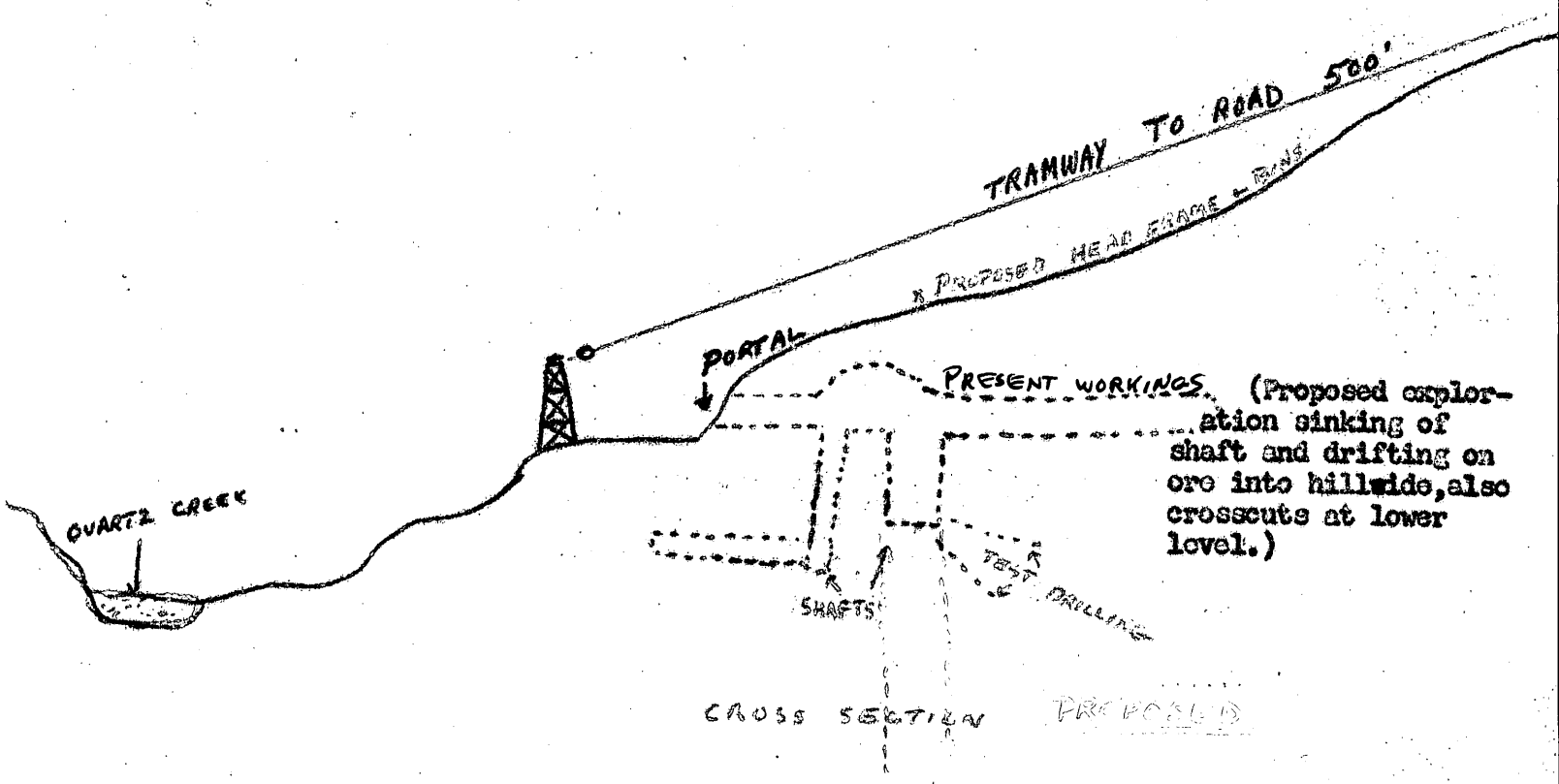


(Proposed exploration sinking of shaft and drifting on ore into hillside, also crosscuts at lower level.)

"RAINY MINE"



SKETCH FOR MF-100, Item #12. (B)
" " MF-103, Item #4..



"RAINY MINE"

OFFICIAL FILE COPY

Date	Surname	Code

PROJECT SUMMARY REPORT

By: J. W. Alt June 10, 1958

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

   Operator: Western States Copper Corporation
   5905 Phinney Avenue
   Seattle 3, Washington

   Operator's Property Rights: Lessee
   Lease dated June 18, 1951
   Owner's Consent to Lien waived and a guaranty supplied by operator, dated October 11, 1952.

2. Contract dated November 6, 1952. To complete - 8 months.

   Work Authorized

   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. There is to be 350 feet of exploratory drifting or cross-cutting on the 100 foot level.

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 the 100 ft. level @ $30/ft.	10,500.00
Excavate station and skip pocket on 100 ft. level	500.00
Total Agreed Estimated Cost	$22,300.00
Government Participation @ 50%	$11,150.00

Amendments

No. 1 Effective December 29, 1952.

Increases completion time from 8 months to 12 months.

No. 2 Effective November 6, 1953.

Increases completion time from 12 months to 21 months.

No. 3 Effective August 6, 1954.

Increases completion time from 21 months to 24 months.

No. 4 Effective November 6, 1954.

Increases completion time from 24 months to 36 months.
Royalty payment period increased to 13 years.

Work Completed

Shaft sinking, 100 feet @ $88/ft.	$ 8,800.00
Drifting, 100 ft. level, 51 feet @ $30/ft.	1,530.00
Excavate skip pocket, 1 unit	500.00
Total Approved Cost	$10,830.00

Work was started early in April, 1953.
The contract was terminated by mutual agreement as of September 23, 1954; the effective date.

3. Report of Review dated May 21, 1956.

Total cost as billed by contractor	$10,830.00
Exceptions	0.00
Total accepted costs	$10,830.00
Government participation @ 50%	$ 5,415.00

Operator's final report - report waived
Field Team final report dated April, 1957

4. Certification date: October 3, 1955.

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.

5. Comments

The work under the exploration project contract was carried out at a very slow pace and was never completed as called for in the contract. This was due to a number of reasons among which were: (1) inadequate financing, (2) attempting to stope and mill ore at the same time and from the same location where exploration was being carried out, and (3) weather conditions - heavy winter snows.

Aside from the above difficulties there were no special hindrances to the carrying out of the contract work. In general, it could be stated that the exploration work was not carried out in an efficient manner.

The Rainy Mine offers excellent exploration possibilities. The principal mine workings have explored only to a very limited extent laterally and to a depth of 150 feet vertically a breccia which could be at least 1,000 feet in length and 200 feet in width. The extent and grade of this breccia should very definately be determined.

The most feasible method for determining the extend and grade of the breccia would appear to be a pattern of vertical drill holes.

It is recommended that any proposal for Government assistance to determine the grade and extent of the entire breccia be given careful consideration.

J. W. Alt

J. W. Alt

Copy to : Docket
Mr. Johnson
Chron.

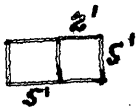
☒ Audited 5/21/56. WORK ANALYSIS SHEET - DMEA PROJ ☐ Actual Cost

☒ Certified 10/3/55. Analysis as of 12/20/54. ☒ Agreed Unit Costs

Incl. Voucher for July 1954

Name WESTERN STATES COPPER CORPORATION Docket No. 2,341

State WASHINGTON Commodity COPPER Idm-E No. 436

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting 5' x 7'	100'@ $25 350'@ $30	$ 13,000.00	on 100 lev. 51'	$ 1,530.00	$ 1,530.00
Raising					
Shafts 	100' @ $88.00	8,800.00	100'	8,800.00	8,800.00
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation --Skip Pocket		500.00		500.00	500.00
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Reported abandoned [illegible] 1957.					
Totals		$ 22,300.00		$ 10,830.00	$10,830.00

Date of Contract; November 6,1952.

Terminated by Mutual Agreement Effective 9/23/54. (Effective date) actual date

Checks Audit Nov. 16, 1955.

Royalty payments to 3/30/54 $ 1,656.47

Royalty payments in arrears 3/30/58 $ 348.19 still due

Ore Reserve Estimate: Insufficient work done to make estimate. 8,000,000 tons [illegible]

Expiration date of royalty payments: November 6,1965.

First Royalty Audit Certificate dated May 21,1956.

Sisenvine advised by Audit Division that if he does not pay up it will be turned over to the Attorney General

Prepared by W. H. Hugenschmidt

Operator's Final Report waived.

Project Summary Report written.

Field Team Final Report received--May 2, 1957.

Ore Reserves--Inferred (not enought data for a calculation but estimated)

8,300,000 tons @ 1.0 percent Copper.

71626

Royalties by lessee

July 14, 1956	H + R. Company	$162.96	
Sept. 5, 1956	" " "	145.95	
Sept 17, 1956	H R. Co,	153.49	
" 21 "	" "	92.32	
Oct 3 "	" "	163.96	
Nov. 26, 1956	" "	118.88	Total Pd to date
Nov. 10, 1956	" "	124.33	1171.72 OK
Jan 26, 1957	" "	304.75	1476.47

/X/ Audited 5/21/56 WORK ANALYSIS SHEET - DMEA PROJECT / / Actual Cost

/X/ Certified 10/3/55/ Analysis as of 12/20/54 Incl. Voucher for July 1954 /X/ Agreed Unit Costs

Name Western States Copper Corporation Docket No. 2341

State Washington Commodity Copper Idm-E No. 436

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting 5' x7'	100' @ $25 350' @ $30	$13,000.00	on 100 lev. 51'	$ 1,530.00	$1,530.00
Raising					
Shafts	100' @ $88.00	8,800.00	100'	8,800.00	8,800.00
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation - Skip Pocket		500.00		500.00	500.00
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$22,300.00		$10,830.00	$10,830.00

Date of Contract: November 6, 1952
Terminated by Mutual Agreement Effective 9/23/54 Actual date 11/18/55.
Royalty payments to 12/31/56 - $1,171.73
Royalty payments in arrears 12/31/56 - $

Prepared by W. P. Klugescheid/er

71626

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
		110
		120

MAR 3 1966

Mr. Maurice F. Galbraith
14727 - 35 Avenue, N. E.
Seattle, Washington

Re: MMA-2341 (Copper)
Western States Copper Corp.
Rainy Mine
King County, Washington
Contract Ida-8436

Dear Mr. Galbraith:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

Sincerely yours,

(signed) FRANK E. JOHNSON
Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region I
Branch of Budget and Finance
120M

GCSelfridge/mm (3/3/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/24	GCS	130
	On leave	120M
		800
12/29	Jensen	110
"	On leave	100
		220

DEC 24 1964

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: MMMA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract Idm-2436

Enclosed for Region I files is MME Form 63 relating to the subject contract. You will note that the lease was cancelled as of January 1963. The lessors did not sign consents to lien and seemingly we do not have any of their addresses.

It is likely that in the future we will have similar cases which may involve nothing less than examination of the properties. It is suggested that you set up a special file concerning these as there is little point in sending MME Form 63 in the future unless we can learn who is in control of the properties and they will cooperate in answering the form.

Possibly Magill, if he is still in Seattle, might be able to locate W. L. Grill or M. L. Gilbreath who apparently live in Seattle because royalties payable to them were sent to the Canadian Bank of Commerce in Seattle. Possibly you might be able to learn who is in control of this particular property by writing to the office that records annual assessment work.

George C. Selfridge (gla)

Enclosure

GCSelfridge/gla (12-24-64)
cc to: Director's Reading File
Docket
Mr. Selfridge
120M
Review Committee

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
January 4, 1965

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 6 1965

DATE	IN	CODE
1/6	ama	800
		120 m
		120

Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: DMEA-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

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

December 7, 1964

REGISTERED MAIL
RETURN RECEIPT REQUESTED

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

Mr. Charles Sisenvine
2366 East Lake E
Seattle, Washington

Dear Sir:

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

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

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
RECEIVED DEC 31 1964

DATE		CODE
12/21	625	800
12/23	728	120 m

MME Form 63
Revised 3-62

DMEA-2341

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 1963, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Is the lease of June 18, 1951, between W. L. Grill, M. F. Gilbreath, and H. L. Bethel, and their respective wives, and Western States Copper Corporation still valid? Yes ☐ No ☒

   If not, when was it cancelled? 1/63

2. Since September 1963, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location. none

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value
none		

Submitted by:

Name Charles Lesemwene Title Pres. ex-officio

Address 2366 Eastlake Ave. Date Dec. 14 - 64

(Conformed from copy sent to OME Region I

Orme

OFFICIAL FILE COPY
RECEIVED 1963
Greiwold 500
FMM

So. 157 Howard Street
Spokane, Washington 99204
September 23, 1963

Air Mail

Memorandum

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

220

From: Acting Field Officer, OME, Region I

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

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. E. Maclaren

Enclosure

MLSmelser:mla
cc: CAAA Div., OME
OME
Reading copies to:
Nolan
Killsgaard

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

SEP 18 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

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 16 1960

DATE	INITIALS	CODE
5-16	gad	VVO
5/16	[illegible]	800
"	[illegible]	500
		225

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

OME Docket
Fisher
Talbert

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

MAY 7 1959

Selfridge
Johnson 5/5
Hofflund
App'd. Sol. Off.

SOLICITOR

MAY 5 1959

INTERIOR DEPT.

5/7 a 220
~~Hlang~~ 500

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,

Edward 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)

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/4	Fisher	800
5/5	a	220
5/8	Klay	500

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-E436

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

43683

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/23	G McCarthy	800
3/23	Gabel	800
3/23	C	220
~~3/27~~	~~Kly~~	~~500~~

MAR 23 1959

Memorandum

To: A. E. Weissenborn, Executive Officer, CAE Field Team, Region I

From: Jay L. Chambers (Signed) J. L. Chambers
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. 5979, dated March 17, 1959, amount $45.00, drawn by Northwestern Realty Co., on the Seattle-First National Bank of Seattle, Washington, payable to U. S. Attorney, together with duplicate copy of Receipt No. 72393 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.

Enclosures

GMcCarthy/GMcC
March 23, 1959

cc: Docket
Director's Reading File
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	G McCarthy	800
"	Fisher	800
3/5	C	220
~~3/6~~	~~Kleg~~	~~[illegible]~~

MAR 3 1959

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

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

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5939, dated February 25, 1959, 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. 80224 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

Jay L. Chambers
Contract Administration
and Audit Division

Enclosures

GMcCarthy/GMcC
March 3, 1959

cc: Docket
Director's Reading File
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/16	G McCarthy	800
2/16	[illegible]	800
2/17	C	220
~~2/18~~	~~[illegible]~~	~~500~~

FEB 16 1959

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

Re: Docket No. DMEA-2341 (Copper)
Western States Copper & Uranium Corp.
Rainy Mine
King County, Washington
Contract No. Idm-F436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5925, dated February 10, 1959, amount $45.00, drawn by Northwestern Realty Co., on the U. S. Treasurer, together with duplicate copy of Receipt No. 80203 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 16, 1959

cc: Docket
Director's Reading File
Mr. Chambers

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/20	G. McCarthy	800
1/20	Talbert	800
1/20	C	220
1/23	KC	500

JAN 20 1959

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

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

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5866, dated January 12, 1959, 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. 80153 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) E. D. Talbert

E. D. Talbert
Contract Administration
and Audit Division

Enclosures

GMcCarthy/GMcC
January 20, 1959

cc: Docket
Director's Reading File
Mr. Chambers

8623

EA Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/27	Fisher	800
10/27	C	220

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

OCT 27 1958

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. 5648, 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

CEFisher/ama
October 27, 1958

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

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/16	Fisher	800
6/16	C	220
6/17	Kling	500

JUN 16 1958

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

Re: Docket No. DMFA-2341 (Copper)
Western States Copper Corporation
Rainy Mine
King County, Washington
Contract No. Idm-F436

Dear Mr. Weissenborn:

Enclosed herewith is Check No. 5462, dated May 30, 1958, amount $45.00, drawn by Northwestern Realty & Prokerage 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

8623

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Fisher	800
		800
3/4	C	220
3/4	Klug	500

MAR 3 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-E436

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/ama
March 3, 1958

Copy to: Docket
Admr. Reading File
Mr. Chambers

8623

OFFICIAL FILE COPY

Date	Surname	Code
1/28	Fisher	800
1/28	C	220
		~~600~~

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

JAN 28 1958

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. 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

8623

OFFICIAL FILE COPY

Date	Surname	Code
9/19	Talbert	800
9/20	Haggard	500
9/20	Jeffrey	120
		~~110~~
9/20	C	220
		500

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

SEP 20 1957

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

Dear Mr. Moriarty:

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

Enclosed are two photostatic copies of the guaranty executed by Mr. Sisenvine 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
(By [illegible])
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

8623

8/29/56

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
9-16	C	220
		500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
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

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

Enclosures

cc: USBM (2)
USBM (AD)

MAIL COPY
DMEA
RECEIVED SEP 13 1957
DATE | INITIAL | CODE

So. 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-E436 (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. Sisenvine 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. Sisenvine 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)

ADDRESS REPLY TO
UNITED STATES ATTORNEY
AND REFER TO
INITIALS AND NUMBER

JCM:mkh

Claim 1400

United States Department of Justice

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

mac
al

USBM cc
DMEA

September 9, 1957

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

Re: Western States Copper Corporation, Seattle, Washington; $528.19, balance of royalties due as of May 10, 1956, under minerals exploration project contract
U. S. Attorney Claim No. 1400

Dear Sir:

We understand that Mr. Charles Sisemvine 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. Sisemvine.

It appears that it will be necessary to commence suit to recover the $528.19 presently due. We propose to join Mr. Sisemvine 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. Sisemvine.

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. G. S.
SPOKANE, WASH

JUL 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/•

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/29	Klugescheid	500
	Russell	500
		[redacted]
		130
		110
		100
		225
		[redacted]

500

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
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:

We refer to your letter of March 21, 1957, "Re: Final Field Team Reports for DMEA Dockets".

We agree that there is nothing to be gained by insisting on a final report from the Operator on the cited project, so we concur in waiving the requirement.

Sincerely yours,

Chairman, Operating Committee
WPKlugescheid/er 5/29/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

8623

May 10, 1957
Re: DMEA 2341 Idm-2436
Western States Copper Corp.
Rainy Mine
King County, Washington

Memorandum

To: . A. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of Field Team Final Report

The contract was awarded in April 1953 and was terminated by mutual agreement November 18, 1955, $10,830 having been spent. Accrued royalty is $3,410.34, royalty in the sum of $2,004.66 having been paid. The project was certified in October 1955.

The work done has partially explored a breccia zone containing, on average, a low percentage of copper. Two exposures suggest the zone may be 1,000 feet long and it has been proven for a depth of 135 feet. The examiners estimate the width as 200 feet and the grade 1% copper. If the zone rounds out at 1000 x 200 x 500 (depth), it would contain 8,333,333 tons of material as estimated by the examiners, but as of this time such a tonnage should not be assigned it. Diamond drilling is warranted.

N. S. Nelson

N. S. Nelson

Copy to: James W. Pennington, 3623
Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Chron. File
NSNelson:pbb
C: 5/10/57

~~5/13 WAK 500~~

IN REPLY REFER TO:

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

May 10, 1957
Re: DMEA 2341 Idm-E436
Western States Copper Corp.
Rainy Mine
King County, Washington

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract was awarded in April 1953 and was terminated by mutual agreement November 18, 1955, $10,830 having been spent. Accrued royalty is $3,410.34, royalty in the sum of $2,004.66 having been paid. The project was certified in October 1955.

The work done has partially explored a breccia zone containing, on average, a low percentage of copper. Two exposures suggest the zone may be 1,000 feet long and it has been proven for a depth of 135 feet. The examiners estimate the width as 200 feet and the grade 1% copper. If the zone rounds out at 1000 x 200 x 500 (depth), it would contain 8,333,333 tons of material as estimated by the examiners, but as of this time such a tonnage should not be assigned it. Diamond drilling is warranted.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 13 1957

DATE	INITIALS	CODE
13	C	220
		225

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 2 1957

DATE	INITIALS	CODE
5/2	C	220
		130
5/2		110
		130
5-7		220
"		100

April 29, 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 Corporation
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

Enclosed are four copies of a Field Team final report by E. A. Magill, Mining Engineer, Bureau of Mines, and D. F. Kellum, Geologist, Geological Survey, on the above-referenced project.

Work on the project started early in April 1953 and was terminated by mutual agreement November 18, 1955. Although there is insufficient data upon which to estimate a reserve, a Certification of Discovery or Development was issued October 3, 1955, based on an inferred reserve of 8,300,000 tons having a grade of 1.0 percent copper. Royalty has been paid on all production since November 6, 1954, but the Operator has not paid any royalty from production, prior to that date. The matter of unpaid royalties which total $528.19 has been turned over to the Attorney General for collection.

FINAL FT. REPORT

The allowed cost of the contract was $22,300, of which $10,830 (Government's share 50 percent, or $5,415) was spent.

Magill and Kellum recommend that any proposal for Government assistance to determine the extent and grade of the deposit be given consideration. The property is currently under option to the Anaconda Company, but the present Operator has the right to produce ore until the option is exercised.

By Field Team, Region I, NW Dist.

Reviewed by
DMEA OPERATING COMMITTEE
5/6/57
(date)

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

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

Enclosures

cc: USBM (2)
USGS (SRO)
Kellum

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I
Northwest District

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 2 1957

DATE	INITIALS	CODE

FINAL REPORT

Contract Idm-E436

by

E. A. Magill
Mining Engineer
U. S. Bureau of Mines

D. F. Kellum
Geologist
U. S. Geological Survey

WESTERN STATES COPPER CORPORATION
5905 Phinney Avenue
Seattle 3, Washington

Docket No.:	DMEA-2341
Commodity:	Copper
Contract date:	November 6, 1952
Termination date:	November 18, 1955

Reviewed by
DMEA OPERATING COMMITTEE
5/6/57
(date)

RAINY MINE
Snoqualmie Mining District
King County, Washington

Spokane, Washington

April 1957

CONTENTS

	Page
INTRODUCTION	1
Summary	1
Recommendation	1
LOCATION AND ACCESSIBILITY	2
PROPERTY	2
History and Past Production	3
GEOLOGY	4
General	4
The Property	4
THE PROJECT	8
Exploitation Possibilities	9
Summary of Factual Data	11
Discussion of Conclusions	11
Exploration Possibilities	12

ILLUSTRATIONS
(In pocket)

Plate 1 - Geology of the Rainy Mine and Vicinity, King County, Washington

Plate 2 - Assay Plan Map, Rainy Mine, King County, Washington (March 1956)

FINAL REPORT

WESTERN STATES COPPER CORPORATION
Rainy Mine
Snoqualmie Mining District
King County, Washington

Contract Idm-E436

* * * *

INTRODUCTION

This report describes an exploration project conducted by the Defense Minerals Exploration Administration and the Western States Copper Corporation of Seattle, Washington, at the Rainy mine in King County, Washington.

Summary

The purpose of the exploration project was to explore for copper ore in a diorite breccia of unknown extent. The proposed exploration comprised 100 feet of shaft sinking with 100 feet of drifting on the Main level and 350 feet of drifting on the 100-foot level off the shaft. Although all the work set up under the contract was not completed, sufficient was done to indicate the possibilities of a large low-grade copper deposit. Sufficient medium-grade milling ore was discovered by the DMEA work to keep a 50-ton-per-day flotation plant operating during the 1955-56 summer seasons.

Recommendation

A Certification of Discovery or Development was issued on October 3, 1955.

All work completed under the exploration project contract was in a mineralized breccia of unknown extent. It is very possible that this breccia contains a large tonnage of mineralized rock which may average 1.0 percent copper. Even if the entire breccia does not contain material of minable grade, it is possible that operations may be carried out on a smaller scale by selective mining.

Further exploration of this breccia to determine its size and grade is definitely warranted. Although the over-all grade will be low, the potential copper tonnage is large, and therefore it is believed that Government participation in further exploration is warranted.

LOCATION AND ACCESSIBILITY

The property is in sec. 16, T. 24 N., R. 10 E. W.M., Snoqualmie Mining District, King County, Washington, and is approximately 20 miles northeast by road from the town of North Bend. North Bend is 24 miles east of Seattle, Washington. Access is by county, Forest Service, and logging roads up the Middle Fork of the Snoqualmie River into mountainous country on the west side of the Cascade Range. Relief in the area is about 2,000 feet. The mine is on the north bank of Quartz Creek, a steep-walled tributary of the Taylor River which joins the Middle Fork about a mile south of the property. The elevation of the main mine workings is 1,800 feet.

Due to rather heavy snowfall during the winter months, operations in the past have only been carried out between April and December; however, the snow would be no great detriment to year-round operations if proper preparations were made.

PROPERTY

The property covered by the exploration project contract includes the following unpatented lode claims: Poncho Fraction, Rainy, Westacop, and Rainy Fraction. All the claims are in sec. 16, T. 24 N., R. 10 E. W.M.

The claims are held under lease from W. L. Grill, M. F. Gilbreath, and H. L. Bethel by the Western States Copper Company, 5905 Phinney Avenue, Seattle 3, Washington.

Workings of the Rainy mine consist of 150 feet of drifting on the Main level, a 135-foot two-compartment shaft, a 9-foot stub at the 50-foot level, and 52 feet of drifting on the 100-foot level. The ground stands very well, and no timbering has been necessary; however, the shaft is timbered to facilitate hoisting, installation of ladders, etc. The mine makes a minimum of about 10 gallons of water per minute, depending upon the season. Water flow has been handled by intermittent pumping with a small air-driven piston-type pump. Hoisting is by a gasoline-engine-driven hoist which operates a 1-ton bucket which slides on skids in the shaft. The shaft is off vertical about 6° to allow for the bucket to ride in the skids.

The property is equipped with a 50-ton-per-day flotation mill which is driven by both gasoline and diesel power units. The

primary jaw crusher is driven by a gasoline engine, and the ball mill is driven by a diesel engine which also drives an electric generator. The latter supplies power for the flotation cells, filter, mill pumps, etc. Electric lights for the mine, mill, and camp are furnished by a 5 kw. electric generator driven by a Pelton wheel using water from a small creek which flows by the mine. All the mill machinery is housed in an open-shed-type building with no provisions made for cold weather operation.

A combination bunkhouse-cookhouse is located a few hundred feet from the mill. It is of sufficient size to handle a crew of 15 men.

History and Past Production

Several short adits were driven on the property in the early part of the century. This early work disclosed disseminated sulfide mineralization, mainly pyrite. The property lay idle until 1950 when Charles Sisenvine obtained a lease and began the present operations. By this time logging operations had carried a road to within about 500 feet of the workings. Late in 1950 and during the summer of 1951, the Operator crosscut a total of 60 feet and sank a 16-foot winze from the Main Adit level.

In 1952 the Operator constructed a 50-ton-per-day selective flotation concentrator. From 1952 to 1955 work was carried on during the summer by the Operator. In 1956 the property was subleased to the H & R Company of Everett, Washington, who operated the mill steadily during the summer.

Total production from the date of the contract (November 6, 1952) through January 1, 1957, is as follows:

Tons of concentrates and crude ore shi shipped since effective date of DMEA contract (s.d.t.)	368.2875
Gold (ounces)	87.51
Silver (ounces)	3,259.00
Copper (pounds)	119,025.00
Net value	$40,093.28
Total royalty due	2,004.66
Total royalty paid	1,476.47
Net royalty due	528.19

Late in 1956 The Anaconda Company obtained a lease and option on the property and plans to carry out a diamond drilling program during the summer of 1957 to determine the extent and grade of the breccia zone. Under the terms of the agreement the H & R Company may continue mining during the option period.

GEOLOGY

General

The Western States Copper property is underlain by the Snoqualmie granodiorite, a portion of which has been mapped and described by Smith and Calkins (Smith, G. O. and Calkins, F. C., U. S. Geol. Survey, Snoqualmie Folio, No. 139, p. 9). The mapped area is in the northwest corner of the Snoqualmie quadrangle which is about 5 miles southeast of the property. In that area the contact relations show that the intrusive is of late to post-Miocene age. Smith and Calkins state that the intrusive is, for the most part, a granodiorite but indicate that gradational differences in the amount of quartz, or the amount and type of feldspars result in locally important biotite and hornblende granite and quartz diorite. Porphyritic textures are developed in all of these rocks at some of the contacts. The typical granodiorite is described as having a light-gray color and being of holocrystalline granular texture.

Presumably, all of these rock types were derived from the same source and are essentially contemporaneous. Some of the features of the various nongranodioritic types such as textural and compositional variation and probable near-roof distribution suggests that some of the nongranodioritic rocks could represent initial phases in emplacement of the granodiorite.

Mineral occurrences associated with the Snoqualmie granodiorite include chalcopyrite-quartz deposits within the mass, and skarn deposits in suitable host rocks at the contact.

The Property

The rocks in the area of the property are local granitic to dioritic variants of the Snoqualmie granodiorite. The predominant rock exposed on and adjacent to the Rainy claim is a fine- to medium-grained diorite which locally contains scant amounts of disseminated sulfides and occasional quartz-sulfide stringers. This rock is exposed along Quartz Creek and, to a lesser extent, in road cuts above the Rainy mine. Other rocks on and adjacent to the property include a virtually unmineralized igneous breccia exposed in cliffs north of the property and a quartz porphyry exposed at several places above the Rainy mine. Both latter rock types appear to be somewhat later than the diorite although both are undoubtedly part of a general intrusion of Snoqualmie age.

Two brecciated portions of the diorite occurring on the Rainy and Poncho Fraction claims contain ore-grade amounts of copper and may represent a breccia pipe (pl. 1). One of the brecciated portions, exposed over an area about 170 by 230 feet, has been partially explored by DMEA work for a short horizontal distance and to a depth of about 150 feet below the surface at the Rainy mine. This work has not intersected a definite boundary of the breccia. The other brecciated portion, exposed 900 feet northwesterly over an area about 100 by 200 feet, is explored by an open cut and a 90-foot crosscut known as the Poncho adit. Due to extensive glacial overburden which separates these exposures, the extent of the breccia and its mineralized portions are not known, and it is not certain if the two exposures are connected at the present surface or represent the distal portions of a breccia mass which may be more extensive at depth. Since the two exposures are of similar character, it is assumed that they have a common origin and probably have subsurface continuity. If the breccia were continuous between the present surface exposures, it would occupy an area about 200 feet wide and 1,000 feet long.

At the Rainy mine the breccia consists of angular diorite fragments ranging from 2 inches to more than 2 feet in diameter within a matrix of finer dioritic material and quartz. The sulfides in the breccia are pyrite, pyrrhotite, chalcopyrite, and molybdenite. With the exception of molybdenite these occur as sparse to abundant concentrations either singly or as mixed aggregates in the matrix or occasionally as sparse disseminations in the breccia fragments. Some scattered molybdenite occurs on the Adit level, but none was noted in the deeper workings.

Particularly at the Rainy adit portal and locally elsewhere, clear to milky-colored coarsely crystalline quartz constitutes the matrix or even the bulk of the rock. In the portal area sparse to abundant sulfides occur within the quartz matrix and some pyrite occurs in vugs in the quartz. Here and elsewhere tourmaline occurs as rosettes of brown to black crystals, generally in accessory amounts although it may be quite abundant locally and in such cases is usually associated with significant amounts of sericite. In many exposures of the breccia, sericite and kaolinite are also associated with heavy concentrations of sulfides. Brannerite, a multiple oxide of titanium and uranium, was found in very minor amounts associated with higher grade concentrations of sulfides in the quartzose zone near the collar of the shaft. Its presence elsewhere has not been determined.

Due to the limited extent of the completed work there is no specific information about the extent of the breccia and only a meager amount of information about the distribution of ore-grade material within the breccia. In the area explored, the breccia is exposed from the surface to the bottom of the shaft at a depth of

about 150 feet. On the Adit level north of the shaft there is a septum of unbroken diorite which probably does not extend much below the adit level. East of the shaft on all three levels a number of large blocks of unbroken diorite have been exposed, but exploration has not been done far enough to the east to determine whether some of these unbrecciated areas are characteristic of an irregular contact or are merely isolated blocks. Ore-grade amounts of sulfides occur in a zone which, on the Adit level, trends northeasterly from the portal across the shaft collar south of the diorite septum; to the north of the septum there are only sparse sulfides. This zone of sulfides appears to dip east and is intersected by the 50-level stub. On the 100 level it has a suggestion of a westerly to northwesterly trend. A high-grade sulfide band associated with a flat westerly dipping fracture crosses the shaft about 70 feet below the Adit level. The higher grade amounts of sulfides on the 100 level occur on the northern side of the workings and in some cases are concentrated along or near prominent fractures in the breccia. The distribution of ore on the three levels suggests an irregular, vertically elongate shape for this particular sulfide zone.

In general within the zone of sulfides the distribution of ore-grade material is erratic, and some portions of the breccia may be barren while other portions may contain up to 50 percent sulfides. The higher grade concentrations may have some structural association with prominent fractures of various orientations. The higher grade portions may also contain significant amounts of sericite although, as indicated previously, the converse is not always true.

The present evidence suggests that the mineralized portions of the breccia consist of irregular zones of sulfides which, if numerous enough, could comprise a large low-grade ore body. In the present workings assays of six samples on the 50 level and 16 samples on the 100 level range from nil to better than 10 percent copper over intercepts of 3 or more feet (pl. 2). The average percent copper on these levels is 3.35 and 0.54, respectively, but because of the limited area explored and the erratic distribution of the sulfides, these averages should not be considered as representative of either the high-grade portions in the breccia or of the breccia as a whole. Any estimates of the grade of either are only speculatory at present. Selective mining by the Operator above the 100 level east of the shaft suggests that limited portions of the breccia may produce from 3 to 10 percent copper if some sorting is done. Some of these crude ore shipments are listed on the next page to show tonnage and grade.

Date	Smelter Lot No.	Dry weight lbs.	Gold oz/ton	Silver oz/ton	Copper %	Zinc %	Arsenic %	Silica %
6/12/51	1377	61,900	0.05	1.88	3.25	--	--	45.5
9/23/53	2639	62,375	0.11	4.72	7.92	0.30	0.15	30.0
11/19/54	2707	16,281	0.14	6.30	10.55	--	0.23	17.40
12/ 7/54	2883	19,218	0.12	5.38	9.83	0.20	--	20.40
12/23/54	3010	13,386	0.13	5.47	9.24	--	0.23	19.6
9/12/55	2114	36,680	0.11	5.45	9.75	--	0.54	22.20

209,840

103,4 = T

The Operator states that in the Poncho adit a channel sample was cut in breccia for a length of 90 feet. This sample is said to have assayed 1.0 percent copper.

THE PROJECT

An application was submitted by Charles Sisenvine in March 1951 (DMA-942X) for an exploration project contract in the total amount of $10,000. This application was denied after a field examination had been made.

After additional work had been carried out at the property, the applicant submitted a second application (DMEA-2341) on December 28, 1951. An exploration project contract in the total amount of $22,300 was entered into on November 6, 1952. Government participation under the contract was 50 percent or $11,150.

The Operator, in his exploration application, proposed to sink the shaft 100 feet below the Main Adit level along with an undetermined amount of drifting and crosscutting, total cost to be $22,068.75.

The Operator's proposal was modified in the approved contract, with the agreed estimated costs and work to be as follows:

Drift 100 feet on the Main Adit level @ $25/ft.	$ 2,500.00
Sink shaft 100 feet @ $88/ft.	8,800.00
Drift 350 feet on 100-foot level @ $30/ft.	10,500.00
Excavate station and skip pocket on 100-foot level	500.00
Total agreed estimated cost	$22,300.00
Government participation @ 50 percent	$11,150.00

The Operator could not obtain a Consent to Lien from the property owners and in its place submitted a Guaranty signed by Charles Sisenvine, president of the company.

Work under the exploration contract was commenced early in April 1953. Late in November when it became necessary to shut down operations for the winter, the Operator had completed 90 feet of shaft sinking and 45 feet of drifting on the 100-foot level.

Work was resumed in April 1954. By September 1954 the Operator had completed the 100 feet of shaft sinking, excavated a station and skip pocket and completed 51 feet of drifting from the shaft on the 100-foot level.

No work under the contract was carried out after September 1954. The Operator continued work but concentrated all his efforts to stoping and milling ore.

Amendment No. 1, dated December 29, 1952 (effective the same date) changed the starting date from 60 to 120 days from the date of the contract and the completion date from 8 to 12 months.

Amendment No. 2, dated October 26, 1953 (effective November 6, 1953) extended the completion period from 12 to 21 months from the date of the contract.

Amendment No. 3, dated August 2, 1954 (effective August 6, 1954) extended the completion period from 21 to 24 months from the date of the contract.

Amendment No. 4, dated November 3, 1954 (effective November 6, 1954) extended the completion period to 36 months from the date of the contract. It also made royalties due on all production from the date of the contract.

A Certification of Discovery or Development was issued on October 3, 1955.

A Termination Agreement was entered into on November 18, 1955. This agreement terminated the obligations under the contract effective as of September 24, 1954.

The Operator has paid royalties on all production since Amendment No. 4 was put into effect on November 6, 1954. This amendment made royalties due on all production from the date of the contract. No royalties have been paid on production prior to November 6, 1954. The matter of past due royalties in the amount of $528.19 was turned over to the Attorney General for collection on August 29, 1956.

Exploitation Possibilities

Any estimates as to the grade and ore reserves of the Rainy mine at its present stage of development are purely conjecture. There are not sufficient exposures to base estimates. Minable ore is exposed on the Adit level, intermittently down the shaft, on the 50-foot level and on the 100-foot level. The ore which is being mined and milled from the 100-foot level is from

a chalcopyrite pod which is estimated to average 5 percent copper. Portions of it are shipped directly to the smelter, the remainder being milled.

It is estimated from present exposures that the breccia may average somewhere near 1.0 percent copper. It should be stressed, however, that this estimate is based on very limited information, and additional work may increase or decrease this estimate considerably.

The extent of the breccia is unknown; there are exposures 900 feet northwesterly of the present workings; and there is a 90-foot adit about 900 feet northwesterly and an exposure in a small gully several hundred feet to the north-northwest of the Rainy portal. To tie these exposures together to determine the limits of the breccia zone along with its vertical extent and grade would require several thousand feet of diamond drilling.

If it is necessary to place a figure on the ore reserves at the present time the following is given:

$$\text{Inferred} - \frac{1{,}000' \times 200' \times 500' \text{ (depth)}}{12 \text{ cu.ft./ton}} = 8{,}333{,}333 \text{ tons}$$

Estimated grade - 1.0 percent copper

If the whole breccia zone could be considered as minable, there would be a substantial tonnage available for an open-pit operation.

A high copper recovery is hampered somewhat by the close association of the pyrrhotite, chalcopyrite, and pyrite. This difficulty could possibly be overcome by fine grind. No figures are available on percentage recovery in the present mill. A one-circuit flotation mill is sufficient for a copper, silver, and gold concentrate.

Summary of Factual Data

Work	Authorized by contract	Completed	Unit cost	Total cost
Drifting, Main level	100 ft.	none		
Shaft sinking	100 ft.	100 ft.	$88/ft.	$ 8,800.00
Drifting, 100-ft. level	350 ft.	51 ft.	$30/ft.	1,530.00
Excavate skip pocket	1 unit	1 unit	$500	500.00
Total approved cost				$10,830.00

Total amount of contract	$22,300.00
Government's share at 50 percent	11,150.00
Total amount expended	$10,830.00
Government's participation	5,415.00
Total amount unexpended	$11,470.00
Government's share unexpended	5,735.00
Royalty payments received	$ 1,476.47
Royalty payments due	523.19

There was no equipment purchased under the contract.

Discussion of Conclusions

The work under the exploration project contract was carried out at a very slow pace and was never completed as called for in the contract. This was due to a number of reasons among which were:

1. Inadequate financing.

2. Attempting to stope and mill ore at the same time and from the same location where exploration work was being carried out.

3. Weather conditions - heavy winter snows.

Aside from the above difficulties there were no special hindrances to the carrying out of the contract work. In general it could be stated that the exploration work was not carried out in an efficient manner.

Exploration Possibilities

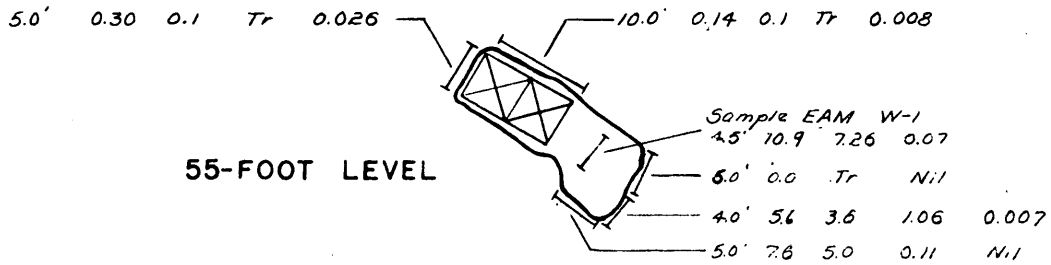
The Rainy mine offers excellent exploration possibilities. The principal mine workings have explored only to a very limited extent laterally and to a depth of 150 feet vertically a breccia which could be at least 1,000 feet in length and 200 feet in width. The extent and grade of this breccia should very definitely be determined.

The most feasible method for determining the extent and grade of the breccia would appear to be a pattern of vertical diamond drill holes. The first ones should be around the present workings with the pattern extending outward until the limits of the zone are determined. Care would have to be exercised in drilling so that the boundaries of the breccia is definitely reached inasmuch as it contains large "horses" of unbroken country rock which might be interpreted as wall of the zone.

If pattern drilling determined that the entire breccia was not of sufficient grade to be minable, if is very likely that it would indicate a number of small more heavily mineralized areas, which could be selectively mined such as the one being mined at the present time.

It is recommended that any proposal for Government assistance to determine the grade and extent of the entire breccia be given careful consideration.

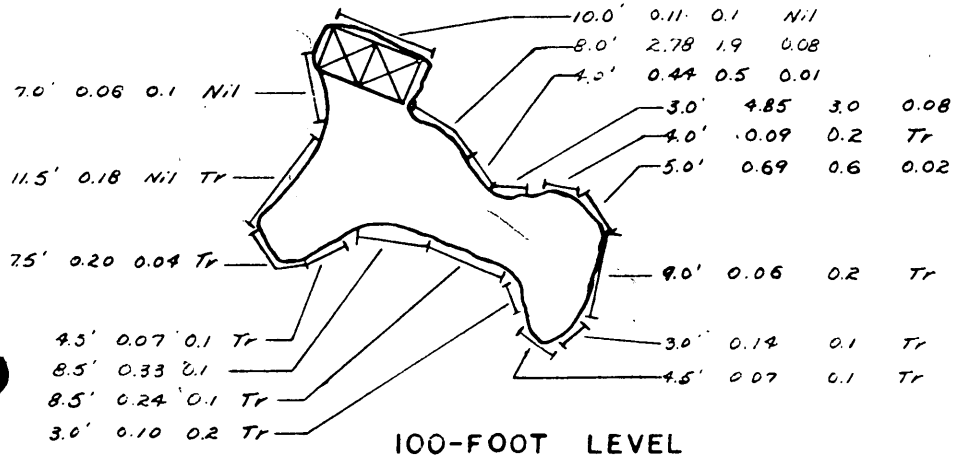
Enclosures
Distribution:
DMEA(4)
USBM(5)
USGS(SRO)
Docket
Kellum



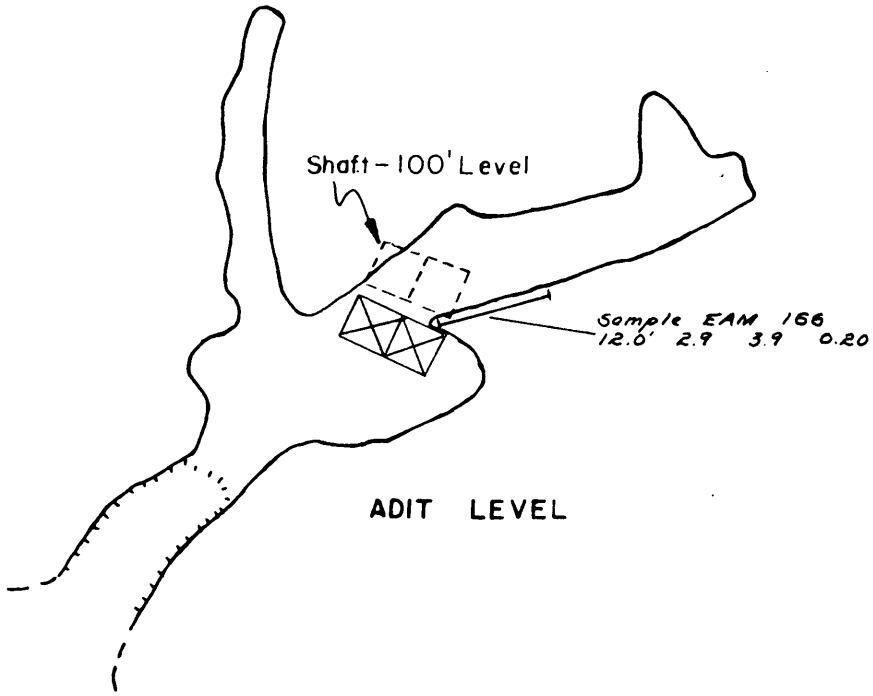
55-FOOT LEVEL

N

Scale: 1" = 20'



100-FOOT LEVEL



ADIT LEVEL

PLATE 2

ASSAY PLAN MAP

RAINY MINE
WESTERN STATES COPPER CO.
KING COUNTY, WASH.
SEC. 16, T. 24N., R.10E., W.M.
E.A.M. — MARCH 1956

Assays: Feet-Cu-Ag-Au-Mo

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 2 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE		CODE
3/25	C	220
		225

March 21, 1957

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

Re: Final Field Team Reports for
DMEA Dockets
Docket Nos. DMEA-2341, DMEA-2612,
DMEA-2907 and DMEA-3394

Dear Mr. Selfridge:

This is in reply to your letter of December 12, 1956, which was inadvertently filed without first being answered.

Docket DMEA-2341 - Western States Corporation. Our final report is in the final stages of preparation and should be completed within a week. The Operator's monthly reports and our own examinations contain all the pertinent information and it is doubtful that the Operator's final report would be of any particular value and we, therefore, recommend that the requirement be waived.

Docket DMEA-2612 - Granore Company. Our final report is being typed and should be mailed within the next day or so.

Docket DMEA-2907 - Norman Boe and Kenneth Curtiss. Our final report was mailed January 23, 1957.

Docket DMEA-3394 - Triumph Mining Company. Our final report will be completed within the next three weeks.

All other final reports now due are in various stages of preparation.

By Field Team, Region I, NW Dist.

A. E. Weissenborn

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

Thomas E. Howard

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

cc: USBM (2)

File Copy
Surname
Surwell
Selfridge
Johnson
Matheson

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

500

DEC 12 1956

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

Re: Final Field Team Reports for
DMEA Dockets
Docket Nos. DMEA-2341, DMEA-2612,
DMEA-2907 and DMEA-3394

Dear Mr. Weissenborn:

The following projects have been concluded or terminated for a considerable period of time and we have received no final Field Team reports covering project results. In certain instances, as noted below, the final Operator's report is also lacking.

It may be that in certain cases final Field Team reports have been delayed pending property settlements and final audits. However, we can see no reason for such delay; actually the final report from the Field Team is not considered as being an exact financial statement. We must depend upon our Contract Administration and Audit Division for our final and precise data on expenditures.

In cases where final precise figures are not available, it would be sufficient if it was so noted in your final report, with an additional notation that such unit and over-all costs which you might have quoted were subject to minor revisions, depending upon matters of final settlement.

Griswold

DMEA-2341 - Western States Copper Corporation
(Final Operator's Report also due)
Termination November 18, 1955.

DMEA-2612 - Granore Company
Concluded October, 1955.

DMEA-2907 - Norman Bee and Kenneth Curtis
Concluded July, 1955.

DMEA-3394 - Triumph Mining Company
Termination May 7, 1956.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

APPROVED

Frank D. Lamb (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

WRGriswold/er 12/10/56
Copy to: Docket (4)
Admr R File
Op. Committee
Base Metals (4)
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

XXXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington

RECEIVED
DEC 10 1956
D.M.E.A.

December 4, 1956

Mr. Charles Simonvine, President
Western States Copper and Uranium Corp.
5909 Phinney Avenue
Seattle 3, Washington

Re: Docket No. DMEA-2341 (copper)
Western States Copper Corp.
King County, Wash.
Contract No. Idm-2436

Dear Mr. Simonvine:

Replying to your letter received today regarding total royalty payments received, the tabulation below shows the payments comprising the total of $1,171.72 reported by us and may be of help to you in reconciling our figures. We have received a total of eight settlement sheets and payments this year instead of the ten you mention in your letter. However, we did receive settlement on three shipments from 9/21/55 through 11/14/55.

Lot No.	Date shipment received by smelter	Amount of Royalty	
2547	9/21/55	$ 93.61	
2547	correction	.27	
3071	11/5/55	91.35	
3180	11/14/55	25.10	$210.33
2135	7/14/56	162.46	
2449	8/9/56	145.95	
2745	9/4/56	153.49	
2801	9/9/56	92.32	
2888	9/19/56	163.96	
3268	10/19/56	66.30	
3311	10/23/56	58.03	
3376	11/2/56	118.08	961.39
Total royalty payments received			$1,171.72

Sincerely yours,

cc: DMEA (2) w/ey incoming
USGS (2)

Wing S. Agnew, Acting Exec. Officer
DMEA Field Team, Region I

D Mea (3)

WESTERN STATES COPPER AND URANIUM CORP.

3905 PHINNEY AVENUE • SEATTLE 3, WASHINGTON • TELEPHONE HEMLOCK 68
HEMLOCK 68
DEXTER 32

December 3, 1956

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

RECEIVED
DEC 10 1956
D.M.E.A.

Re: Docket No. DMEA-2341 (copper)
Western States Copper Corp.
Rainy Mine
King County, Wash.
Contract No. Ida-2436

Dear Sir:

We are in receipt today of copy of your letter of November 26th to Mrs. Purdy, Certifying Officer DMEA regarding royalties paid to the Government by the M & R Co. who are leasing from us. I note that you show total r oyalty payment to date (this year from M & R Co.) to be $1171.72. According to the copies of Smelter returns which we have received from the Everett First National Bank you should have received (including the last lot #3376) approximately $1344.00. Can you explain this discrepancy to me? Our Smelter return copies show ten lots shipped this year. Since this deficiency may eventually be to the detriment of this Company I would like to have the matter checked.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Simonvine, President

CS:ss
cc: Mrs. Myrtle Purdy,
Certifying Officer

RECEIVED
DEC 1 1956

WESTERN STATES COPPER AND URANIUM CORP.

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

September 12, 1956

OFFICIAL FILE COPY DMEA RECEIVED JAN 7 1957		
DATE	INITIALS	CODE
1/8/57	EW	800
		225

No ans. required

U.S. Dept. of Interior
DMEA
No. 157 Howard St.
Spokane 4, Wash.

Attention: A. E. Weissenborn
Mgr. Office
U. S. Geological Survey

Re: Docket No. DMEA-2341 (copper)
Rainy Mine
King County, Wn.
Contract No. IMA-2436

Dear Sir:

We are in receipt of your letter of September 10th, 1956. I talked to Mr. Villella of the H & R Corp. about the Smelter making direct payment of royalties to the DMEA. According to him, and I will confirm this personally, the Smelter objects definitely to making so many different checks payable on various royalties considering the small volume of our business with them. As you know, there are royalties payable to Mr. Gilbreath & Associates (the parties from whom we originally leased the Rainy claim), to Western States Copper and to the DMEA. The Smelter says the business involved is hardly worth the bookkeeping. I have complete confidence in the trustworthiness of the H & R Co. and of course, as you know, all proceeds from the ore and concentrates produced by H & R are paid in full to the Everett First National Bank. I realize that we are actually responsible for the DMEA receiving everything that is due to it and we are quite willing to accept this responsibility.

In view of the difficulties of the situation, we would appreciate your tolerance in letting your royalty payment continue to be made by the First National Bank of Everett.

Regarding the $526.19, we received an original advance from the H & R Corp. to take care of certain other Federal Departments, namely the Internal Revenue, and as a consequence have not yet received any actual payment from them. However before long this situation will be remedied and we can then start payment on this back royalty. Until then we have no other source of income and do not have the means to settle it. Would greatly appreciate your passing on this information to Washington and perhaps you would see fit to ask them for continued indulgence in this matter. After all, we are doing the best we can.

Very sincerely yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sicurvino, President

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
SEP 14 1956

September 10, 1956

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-8436

Dear Mr. Sisenvine:

In reply to your letter of August 3[illegible], 1956, it is not the province of this office to instruct the smelter to make direct or any other payment of royalties due the Government. When you were operating and when so instructed by you, the smelter sent checks directly to this office, with copies of the settlement sheets. We have recently received a check from the First National Bank of Everett, Washington, as royalty due on ore shipped by H & R Company, so it is obvious that someone has instructed the smelter to discontinue sending checks directly to this office. That such royalties are paid is the sole responsibility of the Operator who did the work from which royalty is due. For that reason it is to your advantage to see that the smelter is requested to make payments directly to this office.

We urge you to make prompt payment of the delinquent royalty due from you in the amount of $528.19.

By Field Team, Region I, NW Dist.

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

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

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

WESTERN STATES COPPER AND URANIUM
5905 KINNEY AVENUE • SEATTLE 5 WASHINGTON • TELEPHONE

August 30, 1956

RECEIVED
SEP 14 1956

U. S. Dept. of the Interior
DMEA
So. 157 Howard St.
Spokane 4, Wash.

Docket No. DMEA 2341 (Copper)
Rainy Mine, King County, Wn.
Contract Ida-2436

Attention: Thomas E. Howard

Dear Sir:

In reply to your letter of August 23, 1956, I will have a photostatic copy of our lease with the H & R Co. made up and forward same to you within the next few days.

Regarding payment to the Government of royalties on current production, I am under the impression that arrangements have been made for the Smelter to mail each royalties directly to you. I gather from your letter that the check you received in the amount of $162.42 was not forwarded directly by the smelter. The smelter indicated to me that they preferred to make the full proceeds payable to the H & R Co. thru the Everett First National Bank rather than have to disburse the various royalties, which, while not a complicated arrangement, would perhaps be a little bothersome to them since there is not only a check to the DMEA but one to Gilbreathe and one to us and the balance to H & R. However, if you do not receive your next check directly from the smelter and if that is the way you would prefer to receive payment I suggest your Department direct the smelter to send your royalties from Tacoma. They would no doubt pay more attention to your wishes than to ours. I presume also you have and will receive actual copies of each smelter return.

I believe there is another lot or two now being run thru the smelter and I understand that the lessees have greatly improved the grade of concentrates. This should of course bring us a considerably higher net return. As you may or may not know, they have replaced Mr. Knudsen, the former Superintendent.

As to the back royalties of $528.19, we will clear off this amount just as

soon as possible. Actually this Company received a small advance against royalties at the time of giving the lease. This amount was necessary to settle our account with the Department of Internal Revenue, and we have actually not received any return yet ourselves.

It is the plan of the present operators to continue operations thru the winter, which of course we have never been able to do and if this is done we should be on a current basis before too long.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Siscovine, President

CS:co

DMEA
FILE COPY
Surname:

In reply refer to:
DMEA-2341

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, 5905 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-E436, 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.

N.S.
R+R

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. Mittendorf, Administrator, Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C.

Sincerely yours,

Edmund J. Fritz

ACTING Solicitor

Enclosures

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

EDTalbert/vb 8-14-56

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

RECEIVED
SEP 12 1956

1201 N. Division St.
Spokane 2, Washington
August 24, 1956

MEMORANDUM

To: DMEA Certifying Officer, Region I (thur Field Team, Region I)

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Royalty, Docket No. DMEA-2341 (copper), Western States Copper Corp., Rainy Mine, King County, Washington, Contract Idm-E436

For your information, the first shipment of concentrates from the subject property was made to the A. S. & R. smelter at Tacoma, Washington, on July 14, 1956. The settlement sheet dated August 3, 1956 gave the following information:

Dry weight	56,346 lbs.
Copper	16.67 percent
Gold	0.23 ounce per ton
Silver	9.08 " " "
Net value to shipper	$3,249.20

Payment for the shipment was sent to the First National Bank in Everett, Washington, for distribution of royalties to the various interested parties.

E. A. Magill

Distribution:
DMEA (4)
USGS (2)
USBM (AD)
Docket
Magill

XXXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

August 23, 1956

Certified Mail
Return Receipt Requested

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

Re: Docket No. DMEA-2341 (Copper)
Rainy Mine
King County, Washington
Contract No. I4s-2436

Dear Mr. Sisenvine:

In your letter of April 10, 1956, you state: ". . . we have entered into a lease agreement with a local group of individuals . . . They are of course aware of the royalty percentage due the Government and the smelter will of course make the usual 5% distribution to you." On August 14, 1956, we received a check from the H & R Company of Everett, Washington, as royalty on ore having a net smelter value of $162.46 shipped by that company. While we cannot insist, we would appreciate it if you would send us a copy of your lease with the H & R Company.

We wish to call your attention to Amendment 4, Annex I, paragraphs b and g, to your contract, which already shows your sole responsibility regarding the payments of royalties due the Government. These paragraphs as well as statements in the Certification of Discovery or Development indicate that it is obviously to your advantage that any purchaser of ore or concentrates from the Rainy mine be instructed to make the royalty payments, accompanied by copies of the settlement sheets directly to A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, So. 157 Howard Street, Spokane 4, Washington. Check should be made payable to Defense Minerals Exploration Administration, as is the customary practice of other producers of ore on which the Government has a royalty lien.

We again urge you to make prompt payment of delinquent royalty due from you in the amount of $528.19.

By Field Team, Region I, NW District

cc: DMEA (2)
USBM (2)
USBM (AD)
Turner
Kellum
CPF

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

D. R. MacLaren, Acting Member
U. S. Geological Survey

xxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 23, 1956

H & R Corporation
2121 Everett Avenue
Everett, Washington

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

Gentlemen:

Thank you for a check, on your account, from the First National Bank of Everett, Washington, in the amount of $162.42 due the Government as royalty on a shipment of ore having a net value of $3,249.20.

It is customary to have the ore buyer make the royalty payments directly to the Government, accompanied by a copy of the settlement sheet. Checks should be made payable to Defense Minerals Exploration Administration and mailed to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, 157 So. Howard Street, Spokane 4, Washington. While we cannot insist, we believe it would be to your advantage to request that this be done by the buyer of your production from the Rainy Mine.

By Field Team, Region I, NW Dist.

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

D. R. MacLaren, Acting Member
U. S. Geological Survey

cc: DMEA (2)
USBM (2)
USBM (ADO)
Turner
Kellum
CPF

RECEIVED
AUG 27 1956

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

August 20, 1956

American Smelting & Refining Co.
Tacoma Smelter
Tacoma 1, Washington

Attn: Mr. Ben R. Petrie, Accounting Manager

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corp.
Rainey Mine
King County, Washington
Contract No. Idm-2436

Gentlemen:

Thank you for your letter of August 8, 1956, concerning royalty payment instructions given you by Western States Copper & Uranium Corp. under date of July 3, 1956. We would prefer to receive payment directly from you, and are taking up the matter with Western States Copper & Uranium Corp., the Operator, and with the H & R Company, the lessee. Since payment of the Government's percentage royalty is the obligation of the owner or the producer, you have no alternative but to accept the present arrangement until notified otherwise by them.

Thank you again for your cooperation in this matter.

By Field Team, Region I, NW District

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

D. R. MacLaren, Acting Member
U. S. Geological Survey

cc: DMEA (2) w/cy inc.
USBM (2)
USBM (AD)
Kellum
CPF

AMERICAN SMELTING AND REFINING COMPANY

TACOMA SMELTER

TACOMA 1, WASHINGTON

R. E. SHINKOSKEY
MANAGER

F. W. ARCHIBALD
ASSISTANT MANAGER

C. R. LOW
GENERAL SUPERINTENDENT

BEN R. PETRIE
ACCOUNTING MANAGER

D. A. SOMERVILLE
ORE BUYER

August 8, 1956

U. S. Department of the Interior
Defense Minerals Exploration Administration
1201 N. Division Street
Spokane 2, Washington

Gentlemen:

On September 24, 1955, we were requested by Western States Copper and Uranium Corporation to make a five percent royalty (net) payment to your office in accordance with an agreement arranged between yourselves.

Under date of July 3, 1956, we were advised by Western States Copper and Uranium Corporation that they had entered into a Lease Operating Agreement with the H. & R. Company -- Broadway and Everett Avenue, Everett, Washington. Present agreement provides all payments to be made to the First National Bank at Everett Washington, who in turn will make all royalty payments including those due the Defense Minerals Exploration Administration.

We trust the above arrangement is satisfactory to your office and would appreciate your confirmation so that our records are complete.

First shipment received under name of H. & R. Company was Lot No. 2135 which was paid direct to the above mentioned bank on August 3, 1956.

Yours truly,

Ben R. Petrie

BEN R. PETRIE

BRP:cg
(fu)

Docket copy
Surname:
Talbert
Chambers
Griswold
Martin
Johnson

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

JUN 20 1956

Mr. Charles Sisemvine, 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-X436

Dear Mr. Sisemvine:

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

R.C.L.

WESTERN STATES COPPER AND URANIUM CORP.

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

June 14, 1956

RECEIVED
JUN 18 1956

Mr. C. O. Mithendorf, Administrator
DMEA
U. S. Dept. of the Interior
Washington 25, D.C.

Docket DMEA -2341 (Copper)
Rainy Mine
King County, Wn.
Contract Idm-E436

Dear Sir:

In reference to your letter of June 8, 1956 regarding the above Docket. I want to assure you that our failure to pay the $528.19 is not due to any lack of desire to take care of this matter. Also I do not wish to go into a long hard luck story byt the delays in this payment were actually caused by circumstances beyond our control and the commitments I made earlier for repayment were given to your Spokane office in good faith.

Reference to my letter of September 17, 1955 when I stated that the end of the current production season, probably early December, would probably enable us to settle the matter - we were hit in the first week of November by the worse cold spell followed by heaviest early snows in the history of the State. We were forced to shut down at a time when our most productive month lay just ahead. In the December 15th letter in which I expected to be able to make payment in February, a Stockholders meeting had been called and it was anticipated that funds would be raised to take care of a number of obligations, however this meeting did not produce any cash.

We have now entered into a Lease Operating Agreement with a financially responsible local group who have already put on a much larger crew than we have had previously. The delay in reopening our property this year (we were unable to get into the property until late May whereas we normally open in April) was again due to the heaviest recorded snowfall in Washington during the winter. The present operators expect to start making shipment to the smelter however within the next two weeks and your Department will be regularly receiving the 5% on current shipments direct from the smelter.

As to our own obligation to the Government of this $528.19, we will be obliged to pay that from our own 10% royalties which we will receive from the smelter. More than likely the matter can be taken care of from this

source by the July 31st date you mention.

We simply do not have the funds to pay it otherwise. I am personally of the opinion that it is more important to our stockholders and also to the DMEA that this property be permitted to go into larger scale production than to handicap us with a premature lien which I realize is within your power to impose. In other words, we are most desirous of bringing in this very worthwhile property and certainly are not shirking our obligations.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisenvine

Charles Sisenvine, President

CS:sc

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

RECEIVED
JUN 18 1956

June 13, 1956

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

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

Dear Mr. Sisenvine:

We are enclosing for your information and files one copy each of the First Royalty Audit Certificate and the First Royalty Audit Report for the period November 6, 1952, to May 16, 1956.

Sincerely yours,

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

Enclosures

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

Docket copy
Surname:
Talbert
Klugescheid
Griswold
Butler
Lamar
Johnson

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

JUN - 8 1956

Mr. Charles Sisenvine, 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-8436

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, 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.

R.C.h.

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,

A. 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

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

R.C.S.

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-E436

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

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

Wing G. Agnew

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

Enclosures

cc: USGS (2)
USBM (AD)
Fisher

WESTERN STATES COPPER AND URANIUM CORP.

5005 PHINNEY AVENUE • SEATTLE 3, WASHINGTON • TELEPHONE HEMLOCK 6800
HEMLOCK 6801
DEXTER 3252

RECEIVED
JUN - 1 1956

April 10, 1956

U. S. Dept. of the Interior
Rm. 157 Federal Bldg.
Spokane, 4, Washington

Attention: A. E. Weissenborn,
Executive Officer

Re: Docket No. [illegible](Copper)
Rainy Mine
King County, Wn.
Contract No. [illegible]

Dear Mr. Weissenborn:

We are in receipt of your letter of April [illegible] in reference to delinquent royalties in the amount of $526.19.

Due to shortage of operating capital it appeared that we would not be able to reopen the Rainy Mine property when snow conditions permitted same. Were we able to reopen, which this year on account of heavy snow would probably not be before early May, we would have been obliged to operate with the same limited crew as last year. However, in the past week we have entered into a lease agreement with a local group of individuals who are very familiar with the property. They plan a much earlier reopening than normal of the property with the aid of bulldozers and graders and also plan to put about a ten man crew to work immediately. They are sufficiently financed and experienced to make a real go of this property. They are of course aware of the royalty percentage due the Government and the smelter will of course make the usual % distribution to you. I am certain their production will be early enough that there will be a rapid settlement of the full amount advanced by your department for exploration work.

A very nominal cash advance was made to the Corporation by these people - $3000 to be exact, but the greatest part of this has been expended for the purpose of settling 1955 withholding tax claims, etc. with the Internal Revenue Department. This $3000 will be deducted from the first royalties which would otherwise be due to us, so the Corporation anticipates no revenue from shipments before probably July.

We have no other source of revenue since the sale of our stock must be discontinued with the leasing of the Rainy property. I must therefore beg your indulgence in the matter upon which you wrote until we start realizing a re-

turn from the Smelter this summer.

Actually, if sizeable royalty payments are made to the DMEA from the production of these people on a scale larger than what we ourselves could expect to achieve t is summer, I feel it should justify your going along with us. The $528.19 will be paid before that, should any funds be taken in to permit said payment.

In our contract with these people we have agreed to keep the property free from any liends or encumbrances by creditors, of which of course you are one, and it would put a great hardship on the Company not to mention throttling a very promising operation, if this should take place. I believe that you, as well as all of us connected with the Corporation, are most anxious to see the property become a successful operation, however even a small amount as this $528.19 can put the whole future of the operation in jeopardy if we cannot pay it at this time.

In view of this changed situation I therefore respectfully request your consideration in this matter. The amount you should realize in shipments this year from these operators should probably be enough to take care of the full balance, and by that time we will of course be able to take care of the other amount of subsequent royalties.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisemvine, President

CS:sm

RECEIVED
APR 11 1958
U. S. G. S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUN - 1 1956

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)

COPY

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

So. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUN - 1 1956

February 2, 1956

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

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

Dear Mr. Sisenvine:

This is in further reply to your letter of January 6, 1956 which we have referred to our Washington office.

We cannot, of course, approve in advance a diamond drilling program on your property, but we would be quite willing to consider a proposal from you for a program of this kind. However, we have been instructed to inform you that payment of royalties now due the Government is a requisite before any new proposal can be considered.

Because progress was extremely slow and the work specified under the previous contract was never completed the DMEA would require assurance of the company's willingness and ability to complete the work it proposed to undertake, before considering a new contract.

We do not know just how this might be accomplished; perhaps it might be done by placing your part of the required funds in escrow. We will be glad to consider any other suggestion you may have.

By Field Team, Region I, NW Dist.

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

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

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

C O P Y

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

RECEIVED
JUN - 1 1956

Jan. 27, 1956

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

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

Dear Mr. Weissenborn:

We refer to your letter dated January 11, 1956, that of Mr. Sisenvine dated January 6, 1956, and the semi-annual report of certified project July 1, 1955 to December 31, 1955.

Would it be feasible to get a rough estimate of the possible ore reserves and grade of ore in this property? We realize that the data available is very scant and that insufficient work has been done, but an estimate would be very helpful to us.

Could you get an estimate of how much the 50 t.p.d. flotation mill has cost the Operator? If it does not wish to give this information, is there any other way in which you could get us the probable cost?

We agree that the drilling program which Mr. Sisenvine suggests might be very worthwhile, but the company has been so very unreliable in its promises, and has accomplished nothing in eighteen months, in addition to which it has defaulted in the payment of its royalties. Were the amount of the royalties owing a large sum it might be more understandable, but the quantity of money is small.

You might advise the Company that the royalties due will have to be paid within thirty days or the matter will be referred to Washington.

If the Operator is at all interested in doing further work, the first requisite would be to pay the royalties due. Then it would have to be able to give some concrete evidence that it has the necessary money available to do its share of the further work. The Operator seems to want the work before supplying the money and this has not worked out so well in the past.

We do think that the diamond drilling cost of $8.00 per ft. for AX holes is a bit high, but maybe you have some further helpful information regarding this.

It is unfortunate that this project should be delayed at this time when there is not a great deal of money necessary for the Company's share and it might benefit it greatly.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

C O P Y

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

RECEIVED
JUN - 1 1956

January 11, 1956

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 cannot make a commitment about a drilling program mentioned in your letter of January 6, 1956, as that is a prerogative of our Washington office, to which we have referred your request.

Nor do we have the authority to defer royalty payments indefinitely. We are willing, however, to wait another 30 days on this matter.

By Field Team, Region I, NW Dist.

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

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

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

COPY

WESTERN STATES COPPER AND URANIUM CORP.

5805 PHINNEY AVENUE • SEATTLE 3, WASHINGTON • TELEPHONE HEMLOCK 6800
HEMLOCK 6801
DEXTER 3252

JUN - 2

January 6, 1956

	NOTED	DATE
		1-9-56

U. S. Department of the Interior
Bureau Mineral Exploration Loans
177 Broad St.
Spokane 4, Washington

Gentlemen:

[illegible]

[illegible]

RECEIVED
JAN 9 1956

U.S.G.S.
SPOKANE, WASH.

start to contact and line up a Company to do the work as soon as we could get into the property rather than waiting until the last minute. Also, on the strength of your definite committment we could then plan on accumulating the funds for the matching percentage.

Hoping to hear from you favorably,

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Siemvine, President

CS:ss

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

RECEIVED
JUN - 1 1956

December 15, 1955

Mr. Charles Sisenvine, President
Western States Copper and 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:

This is in reply to your letter of November 28, 1955 and also an acknowledgment in receipt of the mutual termination agreement. Thank you for so promptly returning it to us.

If we can be certain that the Western States Copper and Uranium Corporation is financially able to undertake a drilling program as you have proposed and, further, is prepared to carry energetically such a program to completion, we will be glad to present your proposal to our Washington office.

Your attention is again called to the matter of delinquent royalties. The royalty due has been computed at $528.19 subject to audit.

By Field Team, Region I, NW District

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

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

cc: DMEA (2) w/cys incoming
USBM (2)
USBM (AD)
Kellum

COPY

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
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 DMEA 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 W. Division St., Spokane 2, Wash.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Gilbreaths, President

CG: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.~~
1201 N. Division St.
Spokane 2, Washington

RECEIVED
JUN - 1 1956

C
O
P
Y

September 22, 1955

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

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

Dear Mr. Sisenvine:

Reference is made to your letter of September 17, 1955.

Mr. E. A. Magill, U. S. Bureau of Mines engineer, on several occasions from September 1953 to the present had informed you of the desirability of paying royalties currently so that they would not constitute a sudden financial burden on your company if they had to be paid in a lump sum. Also, the requirement of paying royalty on production was mentioned in our October 25, 1954 letter to you and again in our November 26, 1954 letter.

The Field Team grants your request that full settlement of delinquent royalties be deferred until not later than December 1, 1955; however, we request that you immediately authorize and direct the purchaser to pay the royalty directly to the Government (on future shipments) and to furnish the Government with copies of settlement sheets (see Annex I, Item g.).

Concerning settlement sheets on past shipments, photostat copies of these with your certification will be sufficient for our purpose.

Article 6 of the contract states in part that royalty is due on ". . . production, in whatever form disposed of, including ore, concentrates, or metal . . ." Irrespective of the form in which the product is sold the net smelter return determines the amount of royalty to be paid.

Only rarely is a Certification of Discovery or Development issued before the completion or termination of a project. Undoubtedly a certification will be issued on your property when the results of the exploration are evaluated.

By Field Team, Region I, NW District

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

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

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

WESTERN STATES COPPER AND URANIUM CORP.

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

September 17, 1955

RECEIVED
BUREAU OF MINES
SEP 1 9 1955
SPOKANE, WASH.

RECEIVED
JAN - 1 1956

Mr. T. E. Howard, Acting Exec. Officer
U. S. Bureau of Mines
1201 N. Division St.
Spokane 2, Wash.

Dear Mr. Howard:

We are in receipt of your letter of September 15th, but before discussing the subject matter of the letter I would like to go on record as saying that I am very resentful of the tone of same. I think your attitude in stating that the matter will be placed in the hands of the Attorney General for appropriate action is entirely uncalled for and a very abitrary statement. There has been no request for your department for immediate settlement of the royalty and I think that such request should been made before a letter such as might have been received from a collection agency was dispatched to me.

It has been my impression that a letter or Certificate of Discovery (I don't know just what it is called) is usually issued when it has been deemed by your department that a prospect comes into the economic position of paying back the loadn.

I realize of course that the ammendment and extension states that royalties shall henceforth be paid but I have never been informed that this was necessary for each and every smelter shipment. 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. Such revenues as we are currently deriving from ore shipments is being used to expand the scope of the operation and to obtain increased production, which I think should be appreciated by your department.

I have on hand no extra copies of the smelter returns on past shipments and in order to give you a proper accounting will have to have photostats made and have an affidavit certified that the copies represent our full out put for the period covered. That is unless you prefer to verify the ore sales directly yourselves with the Tacoma smelter.

Another point which I hever discussed and which I would like information and clarification on is the follows: Since most of our shipments have been in the form of concentrates which were produced by our mill from ore which it would have been economically impractical to ship for any profit whatsoever in its crude form, should there not be some differentiation between concentrates and ore? In other worses, since our contracts is not a production loan, should we neceassirly pay on a product resulting from production to which your department does not contribute?

I am not bringing this up as a basis of stalling payment, but simply as a point on which I would like information.

We will be shipping a couple of truck loads to the Tacoma smelter this weekend and will commence sending you the 5% henceforth until the final accountint is made if this suits you. Actually we would prefer not to complicate our settlements at the smelter by notifying them to withhold this royalty unless you insist on it. In other words we would rather make direct settlement with you on the Corporation's check and certify that our total production and shipments are as stated.

Getting back to the Certificate of Discover, is there any reason why you do not wish to issue this? I think it would be of great assistance to us and stock sales offering if we could have it as soon as possible. After all, when you demand a repayment on our DMEA contract you are tacitly declaring us to be in commercial production, even though limited, therefore it seems only reasonable that you would certify discovery.

Very sincerely yours,

WESTERN STATES COPPER & URANIUM CORPORATION

Charles Sisenvine

Charles Sisenvine, President.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 15, 1955

RECEIVED
JUN - 1 1956

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

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

Dear Mr. Sisenvine:

Your attention is called to Annex I of the contract concerning the requirement of paying the Government's percentage royalty on production from the land described in Article 2 of the contract.

If by October 17, 1955, this office does not receive copies of smelter return sheets and a check in the amount due on royalties on all production from November 6, 1952 (the date of the contract) to the present, the matter will be placed in the hands of the Attorney General for appropriate action.

Remittance should be made payable to Defense Minerals Exploration Administration and mailed to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, 157 South Howard Street, Spokane 4, Washington.

By Field Team, Region I, NW District

Thomas E. Howard, Acting Exec. Officer
U. S. Bureau of Mines

James J. Quinlan, Acting Member
U. S. Geological Survey

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

C O P Y

C
O
P
Y

So. 157 Howard Street
Spokane 4, Washington

November 26, 1954

RECEIVED
JUN - 1 1956

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

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

Dear Mr. Sisenvine:

This will acknowledge your letter of November 19, 1954, requesting an extension to DMEA Contract Idm-E346 with your company and stating your intention to go ahead in the spring and complete the contract.

On the basis of your statement that you will complete the program outlined in the contract in the spring we are enclosing an amendment extending the contract an additional twelve months. Please note by the provisions of Annex 1 to the contract the repayment period has been extended an additional three years because of the time extension granted. Also please note that it is specifically stated that royalty is due on all minerals mined or produced from the land during the contract period regardless of whether or not a Certification of Discovery or Development is made.

We have requested the time extension on this contract only after considerable hesitation, for we had been greatly disappointed in the excessively slow rate of progress on the contract. In the two years in which it has been in effect the only work accomplished has been the sinking of 100 feet of shaft and the driving of 52 feet of drifts and crosscuts from the shaft station level. We are particularly disturbed because since September 22 there has been no progress on the contract at all. Therefore, as a condition of extending the contract we wish to make clear that unless the agreed-on exploration is prosecuted vigorously and on a regular basis on the resumption in the spring we will be forced to terminate the contract.

If you agree to this and find the terms of the amendment satisfactory, please sign all copies, keep the one marked "Operator's copy" for your files and return the rest to us.

By Field Team, Region II

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

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

Enclosure

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

C
O
P
Y

WESTERN STATES COPPER CORPORATION
5905 PHINNEY AVENUE SEATTLE 3, WASHINGTON

November 19, 1954

RECEIVED
JUN - 1 1956

Mr. A. E. Weissenborn
U. S. Geological Survey
S. 157 Howard Street
Spokane, Wash.

Re: Docket #DMEA-2431
Contract #IDM-E436

Dear Sir:

We are in receipt of your letter of October 25, 1954. We are really very sorry that our operations this year have not resulted in much performance on our Exploration Contract, however as Mr. Magill has undoubtedly told you, our efforts have been directed more toward production and shipping than exploration work.

We had an urgent financial need which we felt could be better filled by shipment of good ore thru stoping rather than the drifting work on the 100 ft. level. Also a number of mechanical difficulties developed in our mill which resulted in much diversion of labor for the purpose of eliminating these difficulties.

We still are not in what might be called a full and regular production, but have in the last couple of months at least been making a number of shipments to the Smelter.

If it would be at all possible we would like to have an extension of the work period for completion of our Exploration Contract, even though the contract technically expires on November 6, 1954.

It is uncertain how much can be done toward completion of the drifting before we are compelled to shut down on account of winter weather conditions, however we would certainly go ahead in the spring and complete the program.

We are about to receive a definite financial windfall which would enable us to continue our shipping and operation of the mill as well as engaging extra labor to continue the exploratory drifting.

If it is at all possible for such an extension to be arranged for, please let me know as soon as possible.

We are prepared to make repayment to the Government on our DMEA royalties and upon your issuance of "Certificate of Discovery" will make an accounting with you. In fact, we would very much like to have this certificate as soon as it is available. I think it would be of definite benefit to our operations.

Very truly yours,

WESTERN STATES COPPER CORP.

/s/ Charles Sisenvine

Charles Sisenvine, President

CS:sc

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

RECEIVED
JUN - 1 1956

October 25, 1954

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

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

Dear Mr. Sisenvine:

We notice by your monthly reports and the reports of our examining engineers that progress under the subject exploration project contract has been practically nil for the last several months. As you undoubtedly are aware, the contract expires on November 6, 1954. In view of the current rate of progress, any time extension on the contract would not appear to be justified.

It is indeed unfortunate that work under the contract has not been completed, especially when it has reached a point where it might be expected that some valuable information on the ore body could be obtained by completing the work.

Although the work was not completed, the results are sufficiently favorable that undoubtedly a Certification of Discovery or Development will be issued. When such a certificate is issued, royalties on all production from the date of the exploration project contract (November 6, 1952) will be due. For the royalty rate and obligations your attention is called to Article 6 of the contract. In order not to have the possible financial hardship of paying in a lump sum the royalties due upon Certification of Discovery, we would suggest that royalties be paid on the current production.

By Field Team, Region II

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

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

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

COPY

Jackson

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

MAY 8 1956

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

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

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 $[illegible].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. Weisenborn and arrange for the royalty audit at the earliest possible date.

Furthermore, although by agreement dated November 28, 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 MV-304 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/vb
May 8, 1956

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

R.C.S.

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

RECEIVED
APR 1 0 1956

April 16, 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
& Uranium Corp.
Rainy Mine
King County, Wash.
Contract No. Idm-E436

Dear Mr. Selfridge:

Enclosed is a letter from Charles Sisenvine, President, Western States Copper and Uranium Corporation, in reply to our "30 day notice" letter of April 5.

We still plan to refer the royalty matter to Washington if we haven't received a check by May 5.

By Field Team, Region I, NW Dist.

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosure 1 (in dup.)

cc: USBM (2)
USBM (AD)
Kellum
CPF

WESTERN STATES COPPER AND URANIUM CORP.

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

(5)

April 10, 1956

RECEIVED
APR 19 1956

U. S. Dept. of the Interior
So. 157 Howard St.
Spokane, 4, Wash.

Attention: A. E. Weissenborn,
Executive Officer

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

DMEA

Dear Mr. Weissenborn:

We are in receipt of your letter of April 5th in reference to delinquent royalties in the amount of $528.19.

Due to shortage of operating capital it appeared that we would not be able to reop the Rainy Mine property when snow conditions permitted same. Were we able to reopen, which this year on account of heavy snow would probably not be before early May, we would have been obliged to operate with the same limited crew as last year. However, in the past week we have entered into a lease agreement with a local group of individuals who are very familiar with the property. They plan a much earlier reopening than normal of the property with the aid of bulldozers and grades and also plan to put about a ten man crew to work immediately. They are sufficiently financed and experienced to make a real go of this property. They are of course aware of the royalty percentage due the Government and the smelter will of course make the usual 5% distribution to you. I am certain their production will be early enough that there will be a rapid settlement of the full amount advanced by your department for exploration work.

A very nominal cash advance was made to the Corporation by these people - $3000 to be exact, but the greatest part of this has been expended for the purpose of settling 1955 withholding tax claims, etc. with the Internal Revenue Department. This $3000 will be deducted from the first royalties which would otherwise be due to us, so the Corporation anticipates no revenue from shipments before probably July.

We have no other source of revenue since the sale of our stock must be discontinued with the leasing of the Rainy property. I must therefore beg your indulgence in the matter upon which you wrote until we start realizing a re-

turn from the Smelter this summer.

Actually, if sizezble royalty payments are made to the DMEA from the production of these people on a scale larger than what we ourselves could expect to achieve t is summer, I feel it should justify your going along with us. The $528.19 will be paid before that, should any funds be taken in to permit said payment.

In our contract with these people we have agreed to keep the property free from any liends or encumbrances by creditors, of which of course you are one, and it would put a great hardship on the Company not to mention throttling a very promising operation, if this should take place. I believe that you, as well as all of us connected with the Corporation, are most anxious to see the property become a successful operation, however even a small amount as this $528.19 can put the whole future of the operation in jeopardy if we cannot pay it at this time.

In view of this changed situation I therefore respectfully request your consideration in this matter. The amount you should realize in shipments this year from these operators should probably be enough to take care of the full balance, and by that time we will of course be able to take care of the other amount of subsequent royalties.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisenvine, President

CS:se

RECEIVED
DP 11 1958
U.S.G.S.
ANC. ASK

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

April 13, 1956

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

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

Dear Mr. Sisemvine:

Thank you for your letter of April 10. We have forwarded it to our Washington Office.

Sincerely yours,

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

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

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

So. 157 Howard Street
Spokane 4, Washington

RECEIVED
APR 12 1956

April 5, 1956

Certified Mail
Return Receipt Requested

Mr. Charles Sisserwine, 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. Ida-8436

Dear Mr. Sisserwine:

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 $728.19 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)
USGS (2)
USBM (AD)
Kalium

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
FEB 24 1956

~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
February 17, 1956

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

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

Dear Mr. Selfridge:

Enclosed are four copies of a memorandum by E. A. Magill, Mining Engineer, Bureau of Mines, which gives some of the information requested in your January 27 letter.

Of course, Mr. Magill's ore estimate is based on very scanty surface and underground exposures and it will take considerable exploration to even infer this tonnage. However, Mr. Magill is most familiar with this area and is best fitted to make the estimate.

The $8.00 per foot for AX drilling is not out of line for a small footage, say 1500 feet; however, for contracts exceeding 1500 feet about $7.00 per foot for AX drilling would more nearly reflect the actual costs.

Sincerely yours,

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

Enclosure

Concurred in by
U. S. Geological Survey

Verne C. Fryklund, Jr.

Verne C. Fryklund, Jr.

cc: USGS (2)

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

RECEIVED
FEB 24 1956

1201 N. Division St.
Spokane 2, Washington
February 7, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Letter dated January 27, 1956 from Chairman, Operating Committee, to Executive Officer, DMEA Field Team, Region I, re: Docket No. DMEA-2341 (copper), Western States Copper Corp., Rainy Mine, King County, Wash., Contract Idm-E436

In reply to the questions in the subject letter:

Any estimate as to the ore reserves of the property at the present time would be purely conjecture. However, the facts are as follows. The surface is covered with overburden and the only exposures are mine workings and the exposures in the stream bed and road cut several hundred feet to the northwest of the mine workings. Mine workings consist of some 140 feet of drifting and crosscutting on the main level, 135 feet of shaft, and some 52 feet of drifting on the 100-foot level. There is also an old adit approximately 100 feet in length about 1,000 feet to the west of the main mine workings.

The shaft has been sunk in brecciated granodiorite, the cementing material consisting of quartz, pyrite, chalcopyrite, pyrrhotite, and tourmaline. The 100-foot level workings are in similar breccia. The main level workings are partially in mineralized breccia and partially in unbrecciated granodiorite. The limits of the brecciated zone are unknown. It is exposed in the main workings, in an outcrop in a road cut and in a stream bed about 200 feet to the northwest. Also, about 1,000 feet to the west is an old 100-foot adit. Reportedly, a channel sample for the length of this adit assayed 1.0% copper. If all these workings and exposures can be considered to be on the same breccia zone, then it would be about 1,000 feet in length and 200 feet in width.

The grade of the breccia zone as a whole is unknown. The ore which is being milled comes from a lens within the breccia and cannot be considered as representative for the entire zone. Samples vary between nil and 8.0% or better. Possibly a figure of 1.0% copper would not be too far from the actual average for the breccia zone.

In summary, ore reserves that <u>might</u> be developed are as follows:

Length of breccia zone	1,000 feet
Width	200 "
Depth	500 "

$$\frac{1{,}000 \times 200 \times 500}{12 \text{ cu.ft./ton}} = 8{,}330{,}000 \text{ tons}$$

Grade: 1.0% copper or less.

The above tonnage estimates are based on very limited information and additional work might increase or decrease the estimate considerably. The most economical method of determining the extent and grade of the breccia zone would be diamond drilling. The amount of drilling proposed by the Operator with the monies remaining in his contract is certainly not sufficient to determine the grade or extent of the breccia zone; however, the drilling that he proposes would furnish sufficient information on which to base an exploration program which would determine these facts.

Mr. Sisenvine is out of town and cannot be reached in regard to the cost of the 50-ton flotation mill. It is estimated that its replacement would be somewhere near $50,000. In the company's prospectus expenditures of $30,306.00 are listed for mine buildings and equipment from 1951 through 1954. Salvage value of the mill at the present time would be less than $10,000. It is also understood that the corporation has not completed payment on some of the larger items of mill equipment.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
AD
EAM/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

February 2, 1956

Mr. Charles Eisenvine, President
Western States Copper & Uranium Corp.
9935 Phinney Avenue
Seattle 3, Washington

Re: Docket No. DMEA-2341 (Copper)
Rainey Mine
King County, Washington
Contract No. 1dm-2436

Dear Mr. Eisenvine:

This is in further reply to your letter of January 6, 1956 which we have referred to our Washington office.

We cannot, of course, approve in advance a diamond drilling program on your property, but we would be quite willing to consider a proposal from you for a program of this kind. However, we have been instructed to inform you that payment of royalties now due the Government is a requisite before any new proposal can be considered.

Because progress was extremely slow and the work specified under the previous contract was never completed the DMEA would require assurance of the company's willingness and ability to complete the work it proposed to undertake, before considering a new contract.

We do not know just how this might be accomplished, perhaps it might be done by placing your part of the required funds in escrow. We will be glad to consider any other suggestion you may have.

By Field Team, Region I, Wn Dist.

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

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

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

File Copy
Surname
Klugerchert.
Kirwood
Selbridge
Fleischman
Mitchenor

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

JAN 27 1956

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

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

Dear Mr. Weissenborn:

We refer to your letter dated January 11, 1956, that of Mr. Sisemwine dated January 6, 1956, and the semi-annual report of certified project July 1, 1955 to December 31, 1955.

Would it be feasible to get a rough estimate of the possible ore reserves and grade of ore in this property? We realize that the data available is very scant and that insufficient work has been done, but an estimate would be very helpful to us.

Could you get an estimate of how much the 50 t.p.d. flotation mill has cost the Operator? If it does not wish to give this information, is there any other way in which you could get us the probable cost?

We agree that the drilling program which Mr. Sisemwine suggests might be very worthwhile, but the company has been so very unreliable in its promises, and has accomplished nothing in eighteen months, in addition to which it has defaulted in the payment of its royalties. Were the amount of the royalties owing a large sum it might be more understandable, but the quantity of money is small.

R.C.S.

You might advise the Company that the royalties due will have to be paid within thirty days or the matter will be referred to Washington.

If the Operator is at all interested in doing further work, the first requisite would be to pay the royalties due. Then it would have to be able to give some concrete evidence that it has the necessary money available to do its share of the further work. The Operator seems to want the work before supplying the money and this has not worked out so well in the past.

We do think that the diamond drilling cost of $8.00 per ft. for AX holes is a bit high, but maybe you have some further helpful information regarding this.

It is unfortunate that this project should be delayed at this time when there is not a great deal of money necessary for the Company's share and it might benefit it greatly.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JB)

APPROVED:

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

Thor H. Kiilsgaard (JB)
Member, Geological Survey

WPKlugescheid/er 1/25/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

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

RECEIVED
JAN 16 1956

January 11, 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 & Uranium Corp.
Rainy Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

Mr. Sisenvine, President of Western States Copper & Uranium Corp., has twice requested consideration of a diamond drilling program since the contract terminated (letters of November 22, 1955, copies already sent you, and January 6, 1956, copies enclosed).

The deposit is apparently a breccia pipe and the diamond drilling proposed is probably worthwhile. The Operator has been difficult to deal with and while the contract was in force, but inactive, there were repeated promises that work would be done. In addition, the Operator is delinquent on royalty payments.

On geologic grounds additional work is warranted; nevertheless, we do not have confidence in the Operator's ability and we cannot recommend that his request be granted.

By Field Team, Region I, NW Dist.

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

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

Enclosure (in dupl.)

cc: USBM (2)
USBM (AD)
Kellum

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

RECEIVED
JAN 16 1956

January 11, 1956

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 cannot make a commitment about a drilling program mentioned in your letter of January 6, 1956, as that is a prerogative of our Washington office, to which we have referred your request.

Nor do we have the authority to defer royalty payments indefinitely. We are willing, however, to wait another 30 days on this matter.

By Field Team, Region I, NW Dist.

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

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

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

WESTERN STATES COPPER AND URANIUM CORP.

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

RECEIVED

JAN 16 1956

REFER TO	ACTION	NOTED	DATE
Verne			1-18-56
Frank			
C.			
WGM			
DMEA			
ANSWERED			

January 6, 1956

U. S. Department of the Interior
Defense Minerals Exploration Admin.
So. 157 Howard St.
Spokane 4, Wash.

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

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

Dear Mr. Weissenborn:

We are in receipt of your letter of December 15, 1955, regarding the possible diamond drilling on the subject property.

Due to the early heavy snow we have been forced to discontinue operations for the winter but hope to be able to resume by early April.

I don't know what guarantee, if any, your office would require from us to show our Corporation is financially able to undertake a drilling program such as we have proposed to meet our portion of the diamond drilling, however we would certainly not undertake to start the program without knowing we could meet our portion of it. As a matter of fact, several individuals who have up till now been somewhat unwilling to invest in our Company because of no drilling having been done would certainly go along with this program once we have your approval. We would expect to start the drilling just as soon as equipment could be brought into the property, and if necessary would hold off on mining until it was completed.

As to the unpaid royalties which we owe the U. S. Government - would appreciate having a little more time for payment of same. 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.

For your information at the time we shut down on account of weather we had over 600 tons of broken ore in our stope and pocket ready to hoist and process. We estimate the average value of this ore just as it lays at about $60 per ton.

We would like to know how we may get a definite committment from your office for the drilling program as soon as possible. Reason for this being, that if we positively knew that you would make this arrangement with us we could then

RECEIVED

JAN 9 - 1956

U. S. G. S.
SPOKANE, WASH.

start to contact and line up a Company to do the work as soon as we could get into the property rather than waiting until the last minute. Also, on the strength of your definite committment we could then plan on accumulating the funds for the matching percentage.

Hoping to hear from you favorably,

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisenvine, President

CS:sc

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 27 1955

So. 157 Howard Street
Spokane 4, Washington

December 15, 1955

Mr. Charles Sisemvine, President
Western States Copper and 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. Sisemvine:

This is in reply to your letter of November 28, 1955 and also an acknowledgment in receipt of the mutual termination agreement. Thank you for so promptly returning it to us.

If we can be certain that the Western States Copper and Uranium Corporation is financially able to undertake a drilling program as you have proposed and, further, is prepared to carry energetically such a program to completion, we will be glad to present your proposal to our Washington office.

Your attention is again called to the matter of delinquent royalties. The royalty due has been computed at $528.19 subject to audit.

By Field Team, Region I, NW District

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

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

cc: DMEA (2) w/cys incoming
USBM (2)
USBM (AD)
Kellum

WESTERN STATES COPPER AND URANIUM CORP.

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

November 28, 1955

REFER TO	ACTION	NOTED	DATE
ANSWERED			

RECEIVED
DEC 27 1955

Mr. A. E. Weissenborn
Defense Minerals Exploration Admn.
DMEA Field Team, Region I
157 South Howard St.
Spokane 4, Wash.

Re: Docket No. DMEA-2341 (copper)
Western States Copper Corp.
King County, Wash.
Contract No. Idm-E436

Dear Mr. Weissenborn:

In connection with the above Docket No., we resepectfully request your reconsideration of our previous request to have the remaining funds available under this contract diverted to a diamond drilling program.

Work at the property during the past summer and fall has been strictly for the purpose of mining and milling. One reason for this was the insistence on the part of stockholders to start some actual production and sale of ore and concentrates and of course also to meet certain financial needs of the Company. Such production as was made, though not large, has greatly assisted the Company financially and was actually necessary. To have carried on exploration work at the lower level while mining operations were in progress would have been impossible. Though I realize that we have failed to complete our contract, I am glad that we have been able to start repayment of the sums already advanced by your Department. I believe that using the remaining funds for diamond drilling would be the most method to explore for additional ore reserves with the rather limited amount remaining in the Contract. The work could be carried on during the winter months when the mill is shut down because of freezing weather.

We propose drill holes as shown on the attached map. Holes to be drilled from the hundred foot level in an attempt to determine the breccia zone. The first hole would be a five hundred foot vertical hole from the bottom of the shaft. Four other holes drilled in plane of N20E and N70W to determine the extend of the breccia zone. Hole to the south would be minus 30 degrees to pass beneath Quartz Creek. The length of all holes would vary as walls of breccia zone are determined. Drilling would be carried on during the winter months most especially if an early approval of this request would be forthcoming. However, in any case work would be completed prior to July 1, 1956.

RECEIVED
air mail
NOV 30 1955
SPOKANE, WASH.

DMEA

I have outlined below the actual basic figures pertaining to this program. While the figure of $8.00 per ft. may seems a little high, we think it is necessary to set it at this amount. The many reasons are that it would be nebessary to keep the shaft pumped, furnish air, living facilities, core boxes, supervision, etc.

$11,470 remaining in the Contract

1425 ft. AX size diamond drilling	at $8.00 per ft.	or	$11,400.00
20 copper assays	at $3.00 ea.		60.00
5 gold, silver assays	at $2.00 ea.		10.00
	TOTAL		$11,470.00

I certainly hope that you can see your way clear to recommend this change. It would serve several good purposes.

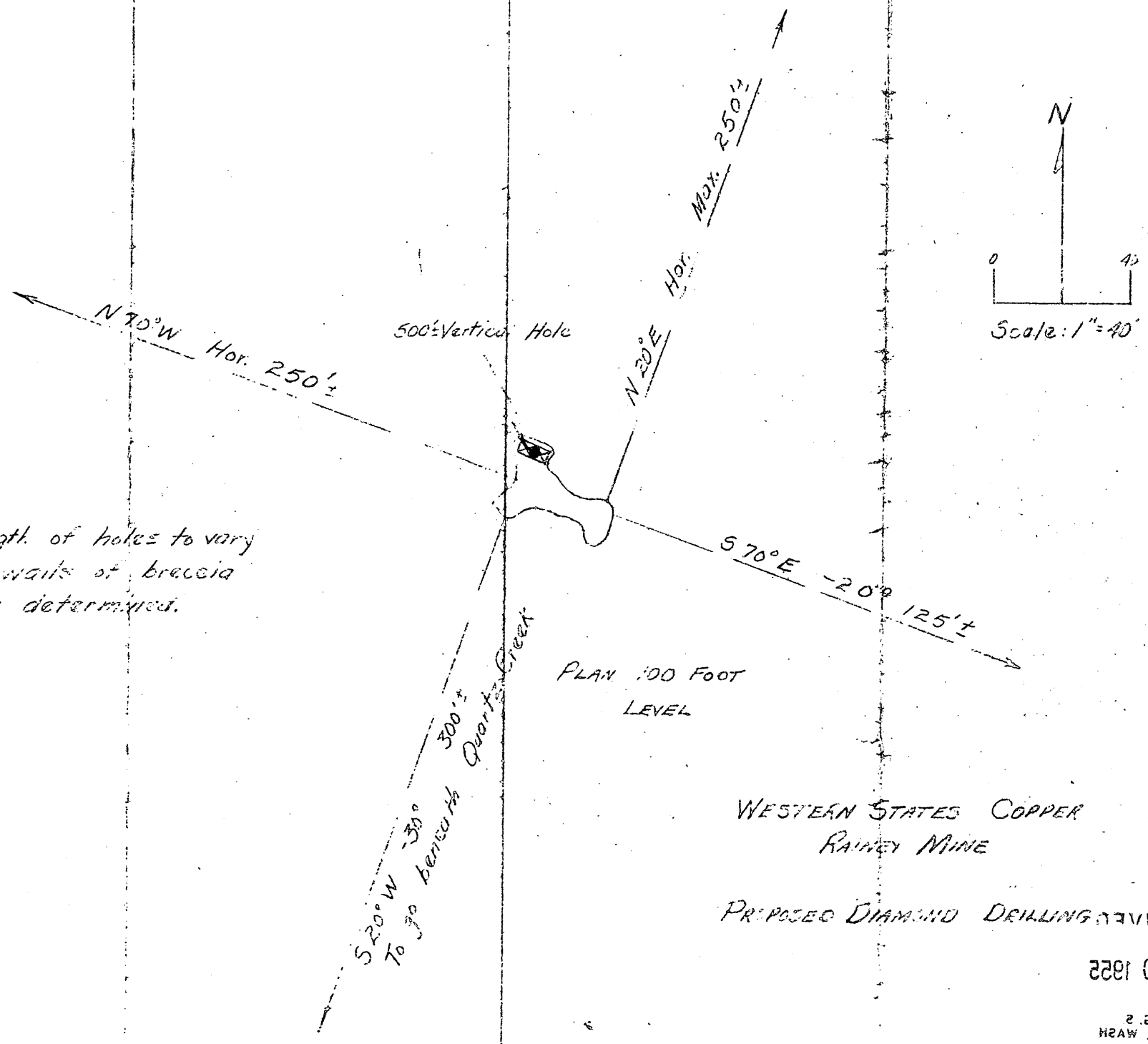
If there is any further information you wish, please let us know.

Very sincerely yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisenvine, President

CS:sc



RECEIVED
NOV 30 1955
U.S.G.S.
SPOKANE, WASH

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

RECEIVED
DEC 12 1955

December 7, 1955

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 Mine
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

We are enclosing the Government, Docket, and Division copies of the Termination Agreement dated November 18, 1955, signed by Mr. Charles Sisenvine, President, Western States Copper Corporation, Seattle, Washington.

This is in accordance with your letter of November 18, and distribution of this agreement is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

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

Enclosures
cc: USBM(2)
USBM(AD) w/encl.
Kellum

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

RECEIVED
DEC 19 1955

1201 N. Division St.
Spokane 2, Washington
November 22, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Shipment data, Docket No. DMEA 2341 (copper), Western States Copper Company, Rainy Mine, King County, Washington, Contract No. Idm-E436

Attached is a data sheet showing the shipments made by the subject company. The first shipments were made in 1951, and there is one truckload of crude ore now at the smelter for which they have not received payment as yet.

All shipments listed were made to the American Smelting and Refining Company at Tacoma, Washington. Shipping charges were either prepaid by the shipper or shipped in Western States Copper Corp. truck.

The first two shipments were made prior to the effective date of the contract and are not subject to royalty.

Operations were shut down on November 14 due to cold and snow and to date they have not started up again. Very likely they will not be able to start their mill again this winter.

Using the attached production figures the royalties due the DMEA are as follows:

Total value of production on which DMEA royalty is due	$14,268.48
Total royalty due @ 5%	713.42
Royalty paid to date (Nov. 22, 1955)	185.23
Royalty due DMEA	$ 528.19

The data on the shipments was obtained from Western States Copper Company. It might be advisable to check this data against the reports submitted to the Division of Mineral Industries, Bureau of Mines, Albany, Oregon.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
Turner
EAM/he

SMELTER SHIPMENTS--WESTERN STATES COPPER CORP.

Date	6/12/51	10/17/52	9/23/53	9/7/54	9/24/54	10/8/54	11/16/54	11/19/54
Smelter Lot No.	1377	2553	2639	2004	2139	2322	2695	2707
Type material	crude	conc.	crude	conc.	conc.	conc.	conc.	crude
Date received	5/28/51	10/3/52	9/5/53	8/24/54	9/10/54	9/27/54	11/6/54	11/8/54
Net weight	62,620	10,680	63,680	22,660	28,570	15,573	28,510	16,500
% moisture	1.15	7.45	2.05	11.0	7.85	7.90	8.25	1.33
Dry weight	61,900	9,884	62,375	20,167	26,327	14,343	26,158	16,281
Gold - oz/ton	0.05	0.22	0.11	0.14	0.17	0.17	0.21	0.14
Silver - oz/ton	1.88	6.86	4.72	5.01	6.55	6.55	7.49	6.30
Copper - %	3.25	13.34	7.92	9.11	11.37	11.32	13.65	10.55
Zinc - %	--	0.40	0.30	0.20	0.20	--	0.20	--
Arsenic - %	--	0.15	0.15	0.15	0.15	0.31	0.31	0.23
SiO_2 - %	45.5	34.1	30.0	4.80	6.60	5.00	5.20	17.40
Fe	14.9	10.6						
CaO	1.1	1.2						
sulfur	13.0	35.5						
Al_2O_3	12.1	3.3						
Total Au	1.547	1.087	3.431	1.412	2.238	1.219	2.747	1.140
" Ag	58	34	147	51	86	47	98	51
" Cu	2,012	1,319	4,940	1,837	2,993	1,624	3,571	1,718
Gross value	$ 386.80	$ 325.09	$ 1378.15	$ 526.96	$ 878.06	$ 476.62	$ 1061.10	$ 497.64
Smelter charges	$ 263.08	$ 44.87	$ 389.84	$ 117.10	$ 167.81	$ 84.77	$ 164.27	$ 94.10
Net value--before royalties	$ 123.72	$ 280.22	$ 988.31	$ 409.86	$ 710.25	$ 391.85	$ 896.83	$ 403.54
Royalty to Gilbreath	--	$ 27.81	$ 82.00	--	--	$ 39.18	$ 89.68	$ 40.35
5% Royalty--DMEA--pd.	Not subj.	Not subj.	--	--	--	--	--	--
Royalty due			$ 49.42	$ 20.49	$ 35.51	$ 19.59	$ 44.84	$ 20.18

SMELTER SHIPMENTS—WESTERN STATES COPPER CORP.

Date	12/7/54	12/15/54	12/23/54	12/23/54	9/8/55	9/12/55	10/5/55	11/21/55
Smelter Lot No.	2883	2932	3010	3023	2073	2114	2547	3071
Type material	crude	conc.	crude	conc.	conc.	crude	conc.	conc.
Date received	11/23/54	12/1/54	12/8/54	12/11/54	8/23/55	8/24/55	9/21/55	11/5/55
Net weight	20,240	27,328	13,900	13,426	68,460	38,280	36,891	36,440
% moisture	5.05	9.68	3.70	9.80	8.43	4.18	10.73	12.25
Dry weight	19,218	24,683	13,386	12,110	62,689	36,680	32,933	31,976
Gold - oz/ton	0.12	0.29	0.13	0.23	0.23	0.11	0.24	0.25
Silver - oz/ton	5.38	8.61	5.47	7.29	9.12	5.45	8.80	8.64
Copper - %	9.83	15.27	9.24	12.44	15.90	9.75	14.93	15.24
Zinc - %	0.20	0.30	--	0.20	--	--	0.20	0.20
Arsenic - %	--	0.46	0.23	0.15	0.50	0.54	0.23	0.15
SiO_2 - %	20.40	4.40	19.6	9.20	4.20	22.20	4.40	2.80
Fe								
CaO								
Sulfur								
Al_2O_3								
Total Au	1.153	3.579	0.870	1.393	7.209	2.017	3.952	3.997
" Ag	52	106	37	44	286	100	145	138
" Cu	1,889	3,769	1,237	1,506	9,968	3,576	4,917	4,873
Gross value	$ 536.33	$1,153.06	$ 355.55	$ 454.50	$4,016.04	$1,363.44	$2,129.32	$2,070.69
Smelter charges	$ 110.50	$ 162.54	$ 76.97	$ 74.17	$ 467.35	$ 224.11	$ 251.85	$ 243.60
Net value--before royalties	$425.83	$ 990.52	$ 278.58	$ 380.33	$3,548.69	$1,139.33	$1,877.47	$1,827.09
Royalty to Gilbreath	$63.87	$ 99.05	$ 41.79	$ 38.03	$ 354.87	$ 170.90	$ 187.22	$ 182.71
5% Royalty--DMEA--pd.	—	--	--	--	--	--	93.88	91.35
Royalty due	$ 21.29	$ 49.53	$ 13.93	$ 19.02	$ 177.43	$ 56.97	$ 93.87	$ 91.35

File Copy
Surname
Klugescheid
Pat.
Chambers
Selfridge
Hefferman

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

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

NOV 18 1955

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

Dear Mr. Weissenborn:

We refer to your letter of October 7, 1955, about terminating the contract of the Western States Copper Corporation.

The contract expired on November 6, 1955, and as there has been no progress in the work for a very considerable period of time, we agree that a termination would be advisable.

We are enclosing the original and five copies of a Termination Agreement signed by the Administrator. We think that it would be better to try to terminate the contract in this way rather than unilaterally.

Please present the agreement to the Operator for approval and signature and, when completed, distribute the copies in the usual manner.

We think it would be well to tell the Operator that we realize that he has been having difficulty in raising the money to do the work. If, at some time in the future, he finds that he has the means with which to continue the work it might be possible to make arrangements so that the exploration may be carried out.

Should the Operator refuse to sign the Termination Agreement, kindly advise this office and we will give further instructions.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

N. E. Nelson
Member, Geological Survey

Enclosures

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

JWAlt/er 11/15/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Killsgaard, USGS
Chron.

File Copy
Surname Klugescheid

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

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

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

Dear Mr. Weissenborn:

We refer to your letter of October 7, 1955, about terminating the contract of the Western States Copper Corporation.

The contract expires on November 6, 1955, and as there has been no progress in the work for a considerable period of time, we agree that it would be advisable to terminate the contract after the expiration date.

The project has been certified, so there should not be any complications in this direction.

The termination notice should not be dated or presented until after November 6, 1955.

In preparing the "Notice of Termination" we would like to call to your attention DMEA Circular 33, dated June 30, 1954.

Sincerely yours,

Chairman, Operating Committee

WPKlugescheid/er 11/3/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

File Copy
Surname
Klugescheid

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

500

November 9, 1955

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Preparation of Termination Agreement for Docket No. DMEA-2341, Western States Copper Corporation, Rainy Mine, King County, Washington, Contract No. Idm-E436, Copper.

Will you please prepare a mutual termination agreement for the cited contract. This project has been certified.

W. R. Griswold

W. R. Griswold

WPKlugescheid/er

Copy to: Docket
Base Metals
Chron.

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

PRELIMINARY PROJECT SUMMARY REPORT

By: W. P. Klugescheid November 3, 1955

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

   Operator: Western States Copper Corporation
   5905 Phinney Avenue
   Seattle 3, Washington

   Operator's Property Rights: Lessee - Owner's Consent to Lien was not obtainable and a "Guaranty" by the Western States Copper Corp. was given dated October 11, 1952.

2. Contract dated November 6, 1952. To complete - 8 months.

Work Authorized

Agreed Unit Costs

Drift 100 feet on the Main tunnel level @ $25./ft.	$ 2,500.00
Sink shaft 100 feet @ $88./ft.	8,800.00
Drift 350 feet on 100-foot level @ $30./ft.	10,500.00
Excavate station and skip pocket on 100-foot level	500.00
Total Agreed Estimated Cost	$22,300.00
Government's participation @ 50%	$11,150.00

Amendments:

No. 1 Dated December 29, 1952.

Changes the starting date and increases the completion period from eight months to twelve months from the date of the contract. Justification for this amendment was that winter conditions prevented the initiation of the work.

No. 2 Dated October 26, 1953.

Again increases the completion period from twelve months to twenty-one months. The justification was to allow the Operator time to complete project. Slowness due to unavoidable delays.

No. 3 Dated August 2, 1954.

Again increased the completion period from twenty-one months to twenty-four months. Justification winter conditions delayed the work.

No. 4 Dated November 3, 1954.

Extends completion period to thirty-six months. Royalty repayment period changed to thirteen years.

Work Completed to date:

Drifting 51 feet on 100-foot level @ $30/ft.	$ 1,530.00
Sinking 100 feet of shaft @ $88./ft.	8,800.00
Station and skip pocket	500.00
Total spent to date	$10,830.00
Government's participation @ 50%	$ 5,415.00

Most recent MF-104 showing work done dated June 1954.

3. Audit - None to date.

4. Certification of Discovery dated October 3, 1955.

5. Comments

There is no real knowledge as to what kind of a deposit this is but the Field Team seemed to think it was a pod or maybe a series of pods. Copper is mainly in the form of Chalcopyrite. A mill has been built but the Operator does not seem to have a great deal of know-how about concentrating.

There is some MoS_2 in the ore. The Operator has concentrated his efforts on shipping such ore as has been found in order to get the money to carry on with. During the sinking operation the Operator drove a small drift on the 55 foot level and found some ore here. At 64 feet

there was some ore in the bottom of the shaft but it was probably not very high grade. The present face of the drift on the 55 foot level is barren. At 78 feet near the bottom of the shaft, a well-mineralized zone has been cut which is at least 6 feet thick. A sample was taken and the results were: Width 4.5 feet, Copper 10.9%, Gold 0.07 oz./ton, Silver 7.26 oz./ton. At 105 feet the shaft is still in breccia but sulphides are not as predominant as previously.

The southeast heading on the 100 foot level has been stoped up, for from 8 to 14 feet, in order to supply ore for the mill. The reason for the stoping is that they are short of money and want to try and make the project pay it's own way.

No royalties have been received on production to date. The Operator has been advised that royalties are due under Annex I of Amendment No. 4.

A letter of Mr. Sisenvine, (for the Operator, he being President) dated July 22, 1955, sets forth their lack of operating capital and wishes to scrap the drifting and substitute drilling. The Field Team does not think that this would be a very satisfactory method of exploration and is in favor of terminating the contract. Latest excuse for no progress is strike at smelter which receives their ore.

W. P. Klugescheid

W. P. Klugescheid

WPK/er 11/4/55

Copy to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 10 1955

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

October 7, 1955

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
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

We wrote you on July 27, 1955, about terminating the Western States Copper Corporation contract.

The contract expires on November 6, 1955, but as most of the contract work was not done a termination of some type is necessary. We doubt if the Operator would readily sign a mutual termination agreement.

We do not intend to date or present the termination notice to the company until after the expiration date, November 6, 1955.

By Field Team, Region I, NW Dist.

Jn Verne C. Fryklund
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Stephen A. Zoldok
for Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (AD)
Kellum

File Copy
Surname

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

W.P. Klugescheid
Swisund
Pastin
Talbitt
Geehan
Nelson
Selfridge
Fredrickson

Mr. Charles Sisemvine, 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. Sisemvine:

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. Weissemborn, 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. Weissemborn 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. Weissemborn at six-month intervals that such is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Admr. R File
Op. Committee
Cont.Adm&Audit Div.
Finance Office
Region I, NW Dist. (2)
Base metals
Mr. F. E. Johnson
Mr. W. R. Griswold
Chron.

WPKlugescheid/er (9/27/55)
Copy to Docket
Mr. C. A. Fredell, DR,MD,MPS
Mr. Geehan, 3608
Mr. Killsgaard, 5224

File Copy
Surname
W.P. Klugescheid
Leonard
Talbert
Geehan
Nelson
Selfridge
E. J. Duncan

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-234 (Copper)
Western States Copper Corp.
Rainy Mine
King County, Washington
Contract No. Idm-2436

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-2436.

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 108 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 (2)
Base Metals
Admr R File
Op. Committee
Mr. Geehan, 3608
Mr. Kiilsgaard,
F. E. Johnson
W. R. Griswold
Chron.

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

RECEIVED
SEP 22 1955

September 26, 1955

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

WSay

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. Selfridge:

This is in reply to your letter of September 22, 1955.

We are sorry the Field Team has managed to upset routine and pre-empt prerogatives properly belonging to the Washington office. It was not our intention to do so. The Operating Committee's teletype of July 22, 1955, combined with some justified annoyance resulted in the two letters referred to. We might add that second thoughts resulted in a Field Team letter of September 21, 1955, requesting a clarification as to the propriety of our procedure.

Mr. Fryklund and Mr. Kiilsgaard informally discussed the problems of delinquent operators during the week of September 12 - 17. It is our intention to clear up several long standing cases this fall

and we would appreciate any further comments the Operating Committee might want to make as to how to handle these matters.

By Field Team, Region I, Northwest District

Verne C. Fryklund, Jr., Acting Executive Officer
United States Geological Survey

Stephen W. Zoldok, Acting Member
United States Bureau of Mines

cc: USBM (2)

Wash.

WESTERN STATES COPPER AND URANIUM CORP.

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

September 24, 1955

2341

RECEIVED
BUREAU OF MINES
SEP 29 1955
SPOKANE, WASH.

RECEIVED
SEP 29 1955

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 DMEA 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 W. Division St., Spokane 2, Wash.

Very truly yours,

WESTERN STATES COPPER & URANIUM CORP.

Charles Sisenvine, 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

~~XXXXXXXXXXXXXXXXXX~~

RECEIVED
SEP 26 1955

1201 N. Division St.
Spokane 2, Washington
September 22, 1955

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

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

Dear Mr. Sisenvine:

Reference is made to your letter of September 17, 1955.

Mr. E. A. Magill, U. S. Bureau of Mines engineer, on several occasions from September 1953 to the present had informed you of the desirability of paying royalties currently so that they would not constitute a sudden financial burden on your company if they had to be paid in a lump sum. Also, the requirement of paying royalty on production was mentioned in our October 25, 1954 letter to you and again in our November 26, 1954 letter.

The Field Team grants your request that full settlement of delinquent royalties be deferred until not later than December 1, 1955; however, we request that you immediately authorize and direct the purchaser to pay the royalty directly to the Government (on future shipments) and to furnish the Government with copies of settlement sheets (see Annex I, Item g.).

Concerning settlement sheets on past shipments, photostat copies of these with your certification will be sufficient for our purpose.

Article 6 of the contract states in part that royalty is due on ". . . production, in whatever form disposed of, including ore, concentrates, or metal . . ." Irrespective of the form in which the product is sold the net smelter return determines the amount of royalty to be paid.

Only rarely is a Certification of Discovery or Development issued before the completion or termination of a project. Undoubtedly a certification will be issued on your property when the results of the exploration are evaluated.

By Field Team, Region I, NW District

c: DMEA (2)
USGS (2)
USBM (AD)
Turner

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

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

WESTERN STATES COPPER AND URANIUM CORP.

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

September 17, 1955

RECEIVED
BUREAU OF MINES
SEP 2 2 1955
SPOKANE, WASH.

RECEIVED
SEP 2 6 1955

Mr. T. E. Howard, Acting Exec. Officer
U. S. Bureau of Mines
1201 N. Division St.
Spokane 2, Wash.

Dear Mr. Howard:

We are in receipt of your letter of September 15th, but before discussing the subject matter of the letter I would like to go on record as saying that I am very resentful of the tone of same. I think your attitude in stating that the matter will be placed in the hands of the Attorney General for appropriate action is entirely uncalled for and a very abitrary statement. There has been no request for your department for immediate settlement of the royalty and I think that such request should been made before a letter such as might have been received from a collection agency was dispatched to me.

It has been my impression that a letter or Certificate of Discovery (I don't know just what it is called) is usually issued when it has been deemed by your department that a prospect comes into the economic position of paying back the loadn.

I realize of course that the ammendment and extension states that royalties shall henceforth be paid but I have never been informed that this was necessary for each and every smelter shipment. 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. Such revenues as we are currently deriving from ore shipments is being used to expand the scope of the operation and to obtain increased production, which I think should be appreciated by your department.

I have on hand no extra copies of the smelter returns on past shipments and in order to give you a proper accounting will have to have photostats made and have an affidavit certified that the copies represent our full out put for the period covered. That is unless you prefer to verify the ore sales directly yourselves with the Tacoma smelter.

Another point which I hever discussed and which I would like information and clarification on is the follows: Since most of our shipments have been in the form of concentrates which were produced by our mill from ore which it would have been economically impractical to ship for any profit whatsoever in its crude form, should there not be some differentiation between concentrates and ore? In other worses, since our contracts is not a production loan, should we neceassirly pay on a product resulting from production to which your department does not contribute?

I am not bringing this up as a basis of stalling payment, but simply as a point on which I would like information.

We will be shipping a couple of truck loads to the Tacoma smelter this weekend and will commence sending you the 5% henceforth until the final accountint is made if this suits you. Actually we would prefer not to complicate our settlements at the smelter by notifying them to withhold this royalty unless you insist on it. In other words we would rather make direct settlement with you on the Corporation's check and certify that our total production and shipments are as stated.

Getting back to the Certificate of Discover, is there any reason why you do not wish to issue this? I think it would be of great assistance to us and stock sales offering if we could have it as soon as possible. After all, when you demand a repayment on our DMEA contract you are tacitly declaring us to be in commercial production, even though limited, therefore it seems only reasonable that you would certify discovery.

Very sincerely yours,

WESTERN STATES COPPER & URANIUM CORPORATION

Charles Sisenvine

Charles Sisenvine, President.

Docket

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-2214

and

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

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 referred to Washington for appropriate action." (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. Idm-2214, 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. Idm-2436, 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,

George C. Selfridge

Chairman, Operating Committee (S/G)

APPROVED:

/s/ Robert W. Geehan (S/G)

Member, Bureau of Mines

N. E. Nelson (S/G)

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. Holliday, USBM
H. M. Meyer, USBM
T. H. Kiilsgaard, USGS
W. R. Griswold
W. S. Martin
C. A. Turner
J. L. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 15, 1955

RECEIVED
SEP 19 1955

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

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

Dear Mr. Sisenvine:

Your attention is called to Annex I of the contract concerning the requirement of paying the Government's percentage royalty on production from the land described in Article 2 of the contract.

If by October 17, 1955, this office does not receive copies of smelter return sheets and a check in the amount due on royalties on all production from November 6, 1952 (the date of the contract) to the present, the matter will be placed in the hands of the Attorney General for appropriate action.

Remittance should be made payable to Defense Minerals Exploration Administration and mailed to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, 157 South Howard Street, Spokane 4, Washington.

By Field Team, Region I, NW District

Thomas E. Howard, Acting Exec. Officer
U. S. Bureau of Mines

James J. Quinlan, Acting Member
U. S. Geological Survey

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

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

RECEIVED
AUG - 1 1955

July 27, 1955

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

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

Dear Mr. Selfridge:

On July 8 we wrote the operator as to his plans about continuing contract work. Copies of his reply of July 22, 1955, are enclosed.

This contract was signed November 1952 with an original completion period of 8 months. Amendments 1, 2, 3, and 4 have extended the period 12, 21, 24, and 36 months. It is quite evident that the operator does not propose to continue contract work, and we do not believe the diamond drilling he proposes is particularly desirable.

We suggest that the contract be terminated, either by mutual agreement or by unilateral action, and request the termination be prepared in Washington.

A recommendation for a Certification of Discovery or Development was made in our letter of October 4, 1954.

By Field Team, Reg. I, NW District

for: Thomas E. Howard
Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Verne C. Fryklund, Jr.
Verne C. Fryklund, Jr., Member
U. S. Geological Survey

Enclosure as indicated

cc: USBM (2)
USBM (AD)
Kellum

WESTERN STATES COPPER AND URANIUM CORP

5968 PHINNEY AVENUE • SEATTLE 4, WASHINGTON • TELEPHONE HEMLOCK 6800
HEMLOCK 6801
DEXTER 3252

REFER TO	ACTION	NOTED	DATE
ANSWER			

RECEIVED
AUG - 1 1955

RECEIVED
JUL 25 1955
U.S.G.S.
SPOKANE, WASH.

July 22nd 1955

Mr A E Weissenborn
Exec. Officer
U.S.G.S.
Spokane, Wash.-

Dear Mr Weissenborn:-

I am in receipt of your letter of July 8, requesting information as to our continuation of our DMEA Contract. I am sorry to say that no work has been done on the program this year. We have been constantly hampered by lack of operating capital in this operation and the Board and myself felt that with the limited funds we had to go on so far this year that the best interests of the company could be served by mining and shipping ore and concentrates. This decision was based on two factors; the revenue that could be derived from such shipments and the better possibility of selling stock in the company if we could be in actual the limited production. Then the molter strike was called and of course now we are unable to ship. However, we have a small crew working, running the mill and stockpiling for shipment when the strike ends. I feel very badly about our failure to go on with the DMEA, especially in view of your consideration in granting us an extension. However, at this time we simply do not have the funds to carry on with drifting. This is especially so, since there is no clear cut indication as to what direction to carry on the drifting. Our superintendent has certainly studied the formation and feels that we should start a raise or almost vertical one compartment shaft since we do have ore underfoot and it would be dumped into our present pocket for hoisting to the surface. I personally think that we should do some core drilling from the 100 ft level. This work we could contract out and would have some answers in short order. If the balance of our DMEA could be changed from drifting to drilling without too much delay or red tape I think this would certainly be the practical thing to do. I have one or two people that I can go to and obtain money for the purpose of drilling if the DMEA would agree, but these people are not willing to put up the money for any other purpose. While I realize that we have an "exploration contract" and not a "production contract", it seems almost shameful to me that we are compelled to expend these funds in a manner that may not lead to production and a much quicker repayment of the loan, especially when we have all the facilities for processing the ore. If we did not have a mill I would feel differently about it. It would certainly be more to the credit of both the DMEA and this company to bring about actual production during the tenure of an exploration contract rather than simply trying to use up the funds to comply with the letter of the existing contract. In fact, it probably would be a little bit unusual. Please understand that we are not deliberately refraining from doing this drifting just to make the point. It is a practical matter of dollars and cents as far as we are concerned. Is there no reasonably quick way that these funds can be re-allocated for other work such as drilling, sinking or mining? We do want to be co-operative but after all, these funds that the government advances to us are a legal obligation of the company and must be repaid and are not a gift so I believe they should be spent to the best advantage of the company. Please give me your ideas on this matter as soon as you can.

Very Sincerely Yours,

Charles Shearwine, Pres.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
No. 157 Howard Street
Spokane 4, Washington

RECEIVED
JUL 13 1955

July 8, 1955

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

Re: Docket No. DMEA-2541 (copper)
Western States Copper Corporation
King County, Washington
Contract No. Idm-1436

Dear Mr. Sisenvine:

We note that your property has been visited by DMEA personnel who were, at that time, informed that DMEA work was being delayed.

On June 16, 1955, Mr. Magill, U. S. Bureau of Mines, telephoned you regarding this matter and was informed that DMEA work at the property was expected to commence in the near future. Inasmuch as there has been slow progress on contract work so far, we would greatly appreciate receiving from you definite information as to when this work will begin.

By Field Team, Region I
Northwest District

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

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

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

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

December 9, 1954

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-E436

Dear Mr. Selfridge:

Enclosed are the Government, Docket, and Division copies of Amendment No. 4 to the captioned contract.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A. E. Weissenborn

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

Enclosure

cc: Finance Office w/encl.
USBM (2)
Puffett

DEPARTMENT OF THE INTERIOR
Bureau Mineral Administration
RECEIVED
DEC 2 1954

XXXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

November 26, 1954

Mr. Charles Siesenvine, President
Western States Copper Corporation
3905 Phinney Avenue
Seattle 3, Washington

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

Dear Mr. Siesenvine:

This will acknowledge your letter of November 19, 1954, requesting an extension to DMEA Contract Idm-E346 with your company and stating your intention to go ahead in the spring and complete the contract.

On the basis of your statement that you will complete the program outlined in the contract in the spring we are enclosing an amendment extending the contract an additional twelve months. Please note by the provisions of Annex 1 to the contract the repayment period has been extended an additional three years because of the time extension granted. Also please note that it is specifically stated that royalty is due on all minerals mined or produced from the land during the contract period regardless of whether or not a Certification of Discovery or Development is made.

We have requested the time extension on this contract only after considerable hesitation, for we had been greatly disappointed in the excessively slow rate of progress on the contract. In the two years in which it has been in effect the only work accomplished has been the sinking of 100 feet of shaft and the driving of 32 feet of drifts and crosscuts from the shaft station level. We are particularly disturbed because since September 22 there has been no progress on the contract at all. Therefore, as a condition of extending the contract we wish to make clear that unless the agreed-on exploration is prosecuted vigorously and on a regular basis on the resumption in the spring we will be forced to terminate the contract.

If you agree to this and find the terms of the amendment satisfactory, please sign all copies, keep the one marked "Operator's copy" for your files and return the rest to us.

By Field Team, Region II

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

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

Enclosure

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

Surname 700

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

Ching
Ellis
Selfridge
Johnson
Mattendorf

NOV 26 1954

T E L E T Y P E

MChing

DMEA-Department of the Interior

14X4401(01)Revolving Fund,
Defense Production Act (Interior)
(Allocated Working Fund to the
Office of the Secretary)

[redacted]

A. E. WEISSENBORN, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION II
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REURTT NOVEMBER 22 AND NOVEMBER 19 LETTER WESTERN STATES COPPER CORPORATION DOCKET 2341 PLEASE REFER TO ITEM 4 AND NEXT TO LAST PARAGRAPH OURLET NOVEMBER 4. MAKE EVERY EFFORT PERSUADE OPERATOR MEET LISTED REQUIREMENTS AND HAVE AMENDMENT NO. 4 EXECUTED ONLY IF YOU REASONABLY ASSURED HE WILL PERFORM. AUTOMATIC TERMINATION PROVISION IN AMENDMENT NOT NECESSARY AS WE CAN TERMINATE ANY TIME FOR NON-PERFORMANCE.

George C. Selfridge
(Ry 257)

George C. Selfridge, Chairman
Operating Committee

MChing:am
11-24-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. C. H. Johnson, Rm. 3621
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Ching
DMEA Field Team, Region II (Confirmation)

R.C.4.

AXXXXXXX-053K

XDXXXXXX-054K

YWA103 WA SP 15 I-GS-G

SPOKANE WASH 11-22-54 1108A

GEORGE C. SELFRIDGE CHAIRMAN

OPERATING COMMITTEE, DMEA, DEPARTMENT OF INTERIOR

WA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1954

RE DOCKET NUMBER DMEA-2341, WESTERN STATES COPPER CORPORATION. DISREGARD LAST PARAGRAPH OUR AIRMAIL LETTER NOVEMBER 19. WE INADVERTENTTLY OVERLOOKED FACT THAT AMENDMENT 4 EXTENDING CONTRACT RECEIVED HERE. THIS NOT YET SENT TO OPERATOR.

IN LETTER RECEIVED THIS MORNING, SISENBINE STATES HE EXPECTS TO BE FINANCED TO COMPLETE EXPLORATION THIS SPRING. SHOULD WE ACCEPT STATEMENT AND SEND HIM AMENDMENT FOR SIGNATURE OR SHOULD WE WAIT NEW AMENDMENT WITH PROVISION FOR AUTOMATIC TERMINATION AS SUGGESTED NOVEMBER 19 LETTER ?

A. E. WEISENBORN

2341 19 4 19

VA 1110A

.ov 23 10 01 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

DMEA

COPY COPY

WESTERN STATES COPPER CORPORATION

5905 PHINNEY AVENUE . SEATTLE 3, WASHINGTON . TELEPHONE HEmlock 6800
HEmlock 6801
DExter 3252

November 19, 1954

Mr. A. E. Weissenborn
U. S. Geological Survey
S. 157 Howard St.
Spokane, Wash.

Re: Docket #DMEA-~~2437~~ 2341
Contract #LDM-E436

Dear Sir:

We are in receipt of your letter of October 25, 1954. We are really very sorry that our operations this year have not resulted in much performance on our Exploration Contract, however as Mr. Magill has undoubtedly told you, our efforts have been directed more toward production and shipping than exploration work.

We had an urgent financial need which we felt could be better filled by shipment of good ore thru stoping rather than the drifing work on the 100 ft. level. Also a number of mechanical difficulties developed in our mill which resulted in much diversion of labor for the purpose of eliminating these difficulties.

We still are not in what might be called a full and regular production, but have in the last couple of months at least been making a number of shipments to the Smelter.

If it would be at all possible we would like to have an extension of the work period for completion of our Exploration Contract, even though the contract technically expire on November 6, 1954.

It is uncertain how much can be done toward completion of the drifting before we are compelled to shut down on account of winter weather conditions, however we would certainly go ahead in the spring and complete the program.

We are about to receive a definite financial windfall which would enable us to continue our shipping and operation of the mill as well as engaging extra labor to continue the exploratory drifting.

If it is at all possible for such an extension to be arranged for, please let me know as soon as possible.

We are prepared to make repayment to the Government on our DMEA royalties and upon your issuance of "Certificate of Discovery" will make an accounting with you. In fact, we would very much like to have this certificate as soon as it is available. I think it would be of definite benefit to our operations.

Very truly yours,

WESTERN STATES COPPER CORP.

/s/ CHARLES SISENVINE

Charles Sisenvine, President

CS:sc

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

November 19, 1954

Air Mail

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
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

The two-year period for the subject contract expired November 6, 1954. Total work completed under the contract consists of sinking 100 feet of shaft, excavating a station and skip pocket near the bottom of the shaft, and driving 52 feet of drifts and cross-cuts from the shaft station level. Total work remaining to be done under terms of the contract includes drifting 100 feet on the Main Tunnel level, and 298 feet of drifting on the 100-foot (shaft-station) level.

Our field examiners visited the property on Wednesday, November 10, 1954. They report that no contract work had been done since September 22, 1954. Instead, the only work which had been completed was the driving of a short raise near the footwall of the shaft. This raise was driven, following ore and is actually a small stope. Apparently the Operator is hard-pressed for funds to continue operations and believes he must keep new headings in ore.

A number of shipments of ore and concentrates have been made from the property. To date we have received no royalties from the sale of the ore or concentrates.

On October 4, 1954, we wrote your office recommending that a Certification of Discovery or Development be issued on the property.

It is our opinion that this is one of the more promising properties in the Cascades on which we have a DMEA contract. We believe that it is well worth the exploration work that is specified in the contract, and we would regret the discontinuing of the project. Nevertheless, after two full years, the Operator has completed only a very small portion of the contract work.

We are wondering whether under the circumstances it will be worthwhile to extend the contract beyond the two-year period, or whether the contract should now be terminated because of the lackadaisical manner in which the exploration has been done. We would agree to an extension only if there were some assurance that the work would be completed. We wish to suggest that if an extension is granted that the extension provide specifically that the Operator must agree to complete a certain minimum amount of advance per month on the contract work, say 50 to 75 feet a month. If he fails to comply with this condition, the agreement should specify that the contract would be terminated automatically.

We have not broached the subject of contract extension to the Operator, and as yet he has not asked for an extension. We would appreciate hearing your opinion concerning the possible extension of this contract beyond the two-year period under the conditions we have outlined.

By Field Team, Region II

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USBM (2)
USBM(AD)
Puffett

Surname 700

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

Ching
Ellis
Chapman
Selfridge

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

NOV 4 - 1954

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

Dear Mr. Weissenborn:

Reference is made to your letter of October 4, 1954, recommending that a certification of discovery or development be issued on the subject property, and to your letter to the Operator, dated October 25, 1954, concerning certification and royalty payments.

The contract was originally for a period of eight months and, by Amendments Nos. 1, 2, and 3, this period was extended to 24 months. The contract has not been amended to extend the repayment period in the event of a certification of discovery.

Since the contract period is now two years and the completion date of November 6, 1954, is close at hand, and since the Operator has completed only about one-half of the authorized work, we have prepared, and the Administrator has executed, the attached original and five copies of a proposed Amendment No. 4. It extends the contract period to three years and includes an Annex I with a provision extending the repayment period to thirteen years.

The one-year extension is being made with the following thoughts in mind:

1. During the last two years the working season on the ubject property has been from April to November or approximately months.

2. In two full working seasons the Operator has cometed only 100 feet of shaft sinking, a shaft station and skip cket, and something over 50 feet of drifting, diverting much of efforts to mining operations and milling facilities.

R.L.S.

3. Approximately 400 feet of drifting remain to be done under the terms of the contract. Since a considerable amount of sulfide mineralization has been encountered to date it is presumed that completion of the project is desirable.

4. A conference between the Field Team and the Operator appears to be in order, at which a definite program of work with time limitations should be set up, with the view of completing the project by the end of the next working season. The Operator would be expected to arrange adequate financing to meet his share of the costs, and to concentrate his efforts on the exploration program.

If the proposed program and amendment are satisfactory to you and the Operator can meet the above requirements, please have the latter execute all six copies of the amendment and make the usual distribution thereafter.

A certification of discovery or development will be considered upon execution of Amendment No. 4 or upon advice from you that the Operator cannot meet the conditions prerequisite to the proposed amendment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures

APPROVED:

J. H. Hedges (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)

Member, Geological Survey

MChing:am
11-1-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. C. H. Johnson, Rm. 3621
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Ching

RECEIVED
OCT 29 1954

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

October 25, 1954

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

Re: Docket No. DMEA-2341 (copper)
Western States Copper Corporation
King County, Washington
Contract No. Idm-3436

Dear Mr. Sisenvine:

We notice by your monthly reports and the reports of our examining engineers that progress under the subject exploration project contract has been practically nil for the last several months. As you undoubtedly are aware, the contract expires on November 6, 1954. In view of the current rate of progress, any time extension on the contract would not appear to be justified.

It is indeed unfortunate that work under the contract has not been completed, especially when it has reached a point where it might be expected that some valuable information on the ore body could be obtained by completing the work.

Although the work was not completed, the results are sufficiently favorable that undoubtedly a Certification of Discovery or Development will be issued. When such a certificate is issued, royalties on all production from the date of the exploration project contract (November 6, 1952) will be due. For the royalty rate and obligations your attention is called to Article 6 of the contract. In order not to have the possible financial hardship of paying in a lump sum the royalties due upon Certification of Discovery, we would suggest that royalties be paid on the current production.

By Field Team, Region II

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

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

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

Surname 700

Ching
Ellis

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

INTERIOR DEPT.
OCT 21 1954
SOLICITOR

October 21, 1954

N.S. in R.R.

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Michael Ching, Mining Engineer
Rare & Miscellaneous Metals Division

Subject: Proposed Amendment No. 4
Docket No. DMEA-2341 (Copper)
Contract No. Idm-E436
Western States Copper Corporation
Rainy Mine
King County, Washington

Will you kindly prepare an Amendment No. 4 to the subject contract in accordance with the attached draft.

Your attention is called to the fact that an Owner's Consent to Lien was waived in this case and a Guaranty, dated October 11, 1952, substituted in lieu thereof. The Guaranty is for a period of 10 years from the date of the contract, so you may wish to provide for extension of this period to 13 years in accordance with the provisions of the attached Annex I.

Michael Ching

Attachment

MChing:am
cc to: Docket
Code 700
Mr. Ching
Chrom

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

Defense Minerals Administration
RECEIVED
OCT 18 1954

October 13, 1954

Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

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

Gentlemen:

We have noted that for several months narrative reports accompanying your MF-104's have not contained adequate geologic maps of the monthly advance. May we bring to your attention Article 5 of the contract which states: "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."

We would suggest that such geologic maps of past work be submitted with the next monthly report and that such maps be kept current thereafter.

By DMEA Field Team, Region II

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)
Puffett

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

Defense Minerals Administration
RECEIVED
OCT 11 1954

October 4, 1954

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

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

Dear Mr. Selfridge:

Your attention is called to an inspection report by E. A. Magill, dated September 27, 1954, on the subject docket. It is quite apparent that the operator would be better advised to devote his attention to exploration but inasmuch as he is now apparently concentrating his efforts on mining and states that he plans to make regular shipments of concentrates, Mr. Magill recommends that Certification of Discovery or Development be issued on the property. The Field Team concurs in this recommendation as we believe that this action might facilitate the collection of royalties.

Exploration conducted under the DMEA contract has disclosed copper, silver, gold, and other valuable minerals in a brecciated diorite. That statement should suffice for the purpose of certification, but if more information is required, it can be obtained from the monthly inspection reports.

By Field Team, Region II

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

Thomas E Howard
For Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
Certifying Officer
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

August 5, 1954

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
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

Enclosed are the original and two signed copies of Amendment No. 3 to the above-cited contract, with attached justification.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

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

Enclosure
cc: Finance Office w/encl.
USBM(2)
Puffett

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
No. 157 Howard Street
Spokane 4, Washington

August 3, 1954

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

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

Dear Mr. Sisenvine:

We received a request from you dated July 19, 1954, for an extension of your contract time from 21 months to 24 months. In this letter you stated: "We will positively complete the balance of the program however, by November as there will be no further diversions of labor. From here on out, we will be confining our work strictly to drifting and operation of our mill."

On the basis of the above statement, we complied with your request for an amendment to extend the time on your contract, and have since mailed you the necessary amendment for your signature.

#3

Today we receive another request from you dated August 2, 1954, wherein you ask for an amendment to use the remaining unexpended funds in the contract to do diamond drilling from surface locations in an attempt to determine the limits of the breccia zone in which ore has been found on your property. In this letter you state: "The reason for this is the fact that we are about to start stoping in the 100 feet level drift, with the intention of operating our mill, and will therefore be doing little if any further drifting before the extended expiration date of our contract on November 6, 1954."

This project is well along now and considerable funds have been spent both by you and the Government in sinking 100 feet of shaft to explore the downward extension of the breccia zone. Now that the shaft is completed, the drifting from the 100 level off the shaft should be carried out in order to prove up the grade and amount of ore available there.

Article 3 of your contract states specifically that: "The work shall be performed by the Operator . . . . to bring the project to completion within the time fixed." We have granted you the maximum allowable extension in our authority to bring the project to completion, after you have assured us that all future work will be restricted to advancing the drift as per the contract.

We therefore cannot give favorable consideration to your recent request to amend the contract to permit diamond drilling from the surface. We urge you to expedite the advancing of the drift on the 100 level so that by the time the contract expires in November of this year, more definite knowledge will have been gained regarding the ore on your property.

By Field Team, Region II

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

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

cc: DMEA (2)
USBM (2)
Puffett

a.c.
8-9-54

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

AB

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

NOV 2 1953

October 29, 1953

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
King County, Washington
Contract No. Idm-E436

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 2 to the above-captioned contract, with attached justification.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

A E Weissenborn

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

Attachment

cc: Finance Officer w/encl.
USBM (2)
Puffett

RECEIVED
NOV 10 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cae
11-2

17

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

October 27, 1953

Western States Copper Corporation
5905 Phinney Avenue
Seattle, Washington

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

Gentlemen:

Enclosed herewith are the original and six copies of proposed Amendment No. 2 to the above-captioned contract, signed by the Executive Officer.

If the terms and conditions of this proposed amendment meet with your approval, please sign all copies, retain that copy marked for the Operator and return the remaining copies to this office.

If any part of this proposed amendment does not meet with your approval, please return the original and all copies to this office with your comments.

Sincerely yours,

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

Enclosures

cc: USBM (2)
DMEA (2)
Puffett

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

1201 N. Division St.
Spokane 2, Washington
September 8, 1953

Western States Copper Corp.
5905 Phinney Avenue
Seattle 3, Washington

Attn: Mr. Charles L. Sisenvine

Subject: Docket No. DMEA 2341 (copper)
Contract No. Idm-E436

Dear Mr. Sisenvine:

This is in reply to the question in your July 1953 Narrative of Progress, asking if it would be possible under the contract to make available extra funds to enable you to complete outfitting the bunkhouse and set up a cash reserve to meet a larger payroll.

You are referred to Article 4 of the contract form which provides that the Government will pay 50 percent of the agreed estimated costs of the work as set forth in Exhibit "A", for units of work actually performed that conform with the description or specifications for work set forth in the contract. As the contract does not provide for bunkhouse facilities the Government cannot contribute to their cost. Further, since payment may be made only for units of work completed, an advance of funds to cover the payroll cannot be allowed.

By Field Team, Region II

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

M. E. Volin, Member
U. S. Bureau of Mines

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

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

July 1, 1953

Western States Copper Corporation
5905 Phinney Avenue
Seattle 3, Washington

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

Gentlemen:

We are in receipt of an examination report by Mr. Magill, field examiner for DMEA, in which it is stated that you are desirous of amending your exploration contract to allow funds originally to be used for drifting on the Main Tunnel level to be diverted to driving a drift on the 55-foot level. This 55-foot level drift is presumably to obtain ore of sufficient grade to merit milling. Mr. Magill also states that the bottom of the shaft is in coarsely brecciated granodiorite but that sulphide minerals occur only sparsely.

The contract states that there is to be 100 feet of drifting on the Main Tunnel level, plus 350 feet of exploratory drifting or crosscutting on the 100 level. As it was assumed that mining operations could be carried on concurrent with the exploration work, a unit-cost contract was drawn up to simplify bookkeeping and vouchering relative to claims for reimbursement of the Government's percentage share of the exploration costs.

Although very little detailed information is now available concerning the ore occurrence at the Western States Copper Mine, it is believed that the main sulphide concentrations are confined to the coarsely brecciated granodiorite. Consequently, it is hoped that if the exploration work headings can be kept in this brecciated zone, actual ore, if not present in the face, will not be too far distant. Although the optimum conditions of exploration are to have ore in sight at all times, the very nature of ore shoots are such that it would be nearly impossible to plan all exploration workings in the best possible manner so that at the conclusion of the exploration, the workings could be used in producing ore that may result from the project. The vertical shaft which you are sinking was specified as it was believed that the ore shoot at your property was nearly

vertical and even though this was not quite the exact case, the bottom of the shaft at the 100-foot level would not be too far distant from ore, should the ore persist to that depth. As a result, the vertical shaft could ultimately be used for extraction of ore. Also a great sufficiency of drifting and stopecutting was allowed to easily reach and explore the ore on this level, even though the ore shoot may vary considerably away from the vertical shaft.

We understand your position is that you are desirous of obtaining ore to treat in your concentrating mill, and we have no objections to your drifting on the 75-foot level and extracting ore from such an opening providing you do this work with your own funds. However, we do not believe that such work can be claimed as exploration but rather is part of a development and, therefore, cannot be done under a DMEA exploration contract. As long as the shaft is being sunk in extremely brecciated granodiorite, it is our opinion that, even though sulphides occur only sparsely in the shaft area, justifiable exploration is being accomplished by continued sinking, and certainly no exploratory workings at so short a vertical interval as 75 feet can be justified. Therefore, we cannot grant an amendment to allow funds for drifting on the 75-foot level.

It is encouraging that the brecciated zone continues to at least 75 feet in depth, and that you have found ore a short distance from the shaft on this level. This, of course, adds to the possibility that the ore will continue to the 100 level, at which depth drifting on the ore will be allowed.

We want to caution you that should ore be produced and sold from your property, such ore will be subject to the Government's percentage royalty if a Certification of Discovery is declared during or at the conclusion of the exploration work. Any ore produced from the beginning date of the contract is subject to such royalty, and, therefore, it will be necessary that you keep a record of any ore or concentrate shipments that may be made from your property.

By Field Team, Region II

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

Thomas B. Nolan, Acting Member
(Bureau of Mines)

cc: BMEA (2)
USGM (2)
Puffett

[illegible] vertical and even [illegible] that we [illegible] quite [illegible] the [illegible] of the shaft at the [illegible] level would [illegible] too far [illegible] [illegible], should the ore [illegible] to the depth. As a result, the [illegible] shaft would [illegible] and [illegible] extraction of ore. Also a [illegible] satisfactory [illegible] and [illegible] [illegible] were allowed to [illegible] [illegible] and explore the ore on this level, even though the ore [illegible] may [illegible] [illegible] from the vertical shaft.

We understand your position in [illegible] on [illegible] or obligations [illegible] are to [illegible] in your [illegible] [illegible] and [illegible] [illegible] [illegible] [illegible] [illegible] providing you [illegible] this work with [illegible] [illegible] However, we do not believe that such work can be classed as exploration but rather is more of a development nature. Therefore, request be [illegible] a XXA application [illegible] [illegible] as long as the [illegible] [illegible] [illegible] associated prospecting [illegible] in our opinion [illegible] [illegible] [illegible] [illegible] [illegible]

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

January 15, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 5 1953

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

Re: Docket DMEA-2341 (Copper)
Western States Copper Corporation
Contract Idm-E436

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 1 to the subject contract, with attached justification.

Copies of this amendment have been retained by the Finance Officer, the Operator, and the Field Team.

Sincerely yours,

A. E. Weissenborn

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

Enclosure

cc: USBM (2)
Puffett

coe
1-19-53

RECEIVED
JAN 30 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
1952

December 30, 1952

Western States Copper Corp.
5905 Phinney Avenue
Seattle 3, Washington

Subject: Amendment No. 1, Contract Idm-E436
Docket No. DMEA 2341 (Copper)

Gentlemen:

Enclosed herewith are 7 copies of Amendment No. 1 to your Exploration Project Contract which extends the completion period from 8 months to 12 months. The amendment has been signed by the Executive Officer, DMEA Field Team, Region II. If the amendment meets with your approval please have an authorized official of your company sign all copies, retain the copy marked "Operator's Copy" and return the remaining copies to this office.

Sincerely yours,

Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II

Enclosures

cc: DMEA, Wash. (2)
USGS (2)
DMEA
A/D
D/F

FILE COPY
SURNAME:
700

Schmidt
Ellis
Selfridge

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

DEC 5 1952

Mr. A. L. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket DMEA-2341 (Copper
Western States Copper Corporation
King County, Washington
Contract DMA-436

Dear Mr. Weissenborn:

Enclosed is an extra copy of contract covering the above-captioned docket, which you may forward to your field representative.

Sincerely yours,

George C. Selfridge (GHB)

Chairman, Operating Committee

FSSchmidt/jem
12/4/52
cc to: Adm. Reading File
Docket
Messrs. C Johnson-R.3621
AKKinkel-R.4234 GSA
Ellis Schmidt
Opr. Com.
Field Team, Reg. II

Enclosure

APPROVED: J. H. Hedges (GHB)
Director, Bureau of Mines

[illegible], Jr. (GHB)
Member, Geological Survey

12-5-52

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

1201 North Division St.
Spokane 2, Washington

Defense Minerals Administration
DEC 1 1952

December 4, 1952

Noted
Com

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Progress examination Western States Copper Corp., King County, Washington, Contract Idm-E436, Docket No. DMEA 2341 (copper)

The subject property was visited on November 29, 1952. Mr. Charles Sisenvine, president of the Western States Copper Corp. was the only one on the property at the time of the visit.

No work has been done under the exploration project contract, operations having been suspended just prior to the time the Operator received notice of his contract. Weather conditions permitting, the Operator plans to commence work under the exploration program within a few weeks. He was advised to notify us of his plans before the 60 day starting period expired.

The shaft is full of water to the main level, consequently it was impossible to get an accurate measurement of its depth. A tape with a rock tied on its end gave a depth of 19 feet to the collar on the main level. The Operator claims that the last round in the shaft was mucked out.

Since the examining team's visit in April the Operator has completed his mill and has test run a few tons of ore from development work in the shaft and from clean up operations on the main level. A small truck load of concentrates was shipped to the A. S. and R. Smelter at Tacoma, Washington; reportedly this shipment of concentrates ran 14% copper. The Operator has had difficulty in separating the pyrite and chalcopyrite in his mill. The mill is a one product flotation concentrator of about 50 tons daily capacity. It is powered by a gasoline engine driving the jaw crusher and a diesel engine driving

the ball mill. The diesel engine also drives an electric generator which furnishes power for the flotation cells and filter. The mill is roofed but is only partially closed in on the sides.

The Operator is in the process of constructing a bunk house, the floor, roof and walls being completed.

E. A. Magill

E. A. Magill

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
EAM/vf

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

[redacted]
So 157 Howard Street
Spokane 1, Washington

November 26 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1952

Mr. Frank E. Johnson Chairman
Operating Committee, DMA
Department of the Interior
Washington 25, D. C.

Re: Docket DMA-2341 (Copper)
Western States Copper Corporation
King County, Washington
Contract Idm-5436

Dear Mr. Johnson:

Enclosed are the original and two signed copies of the subject contract. Copies of this contract have been retained by the Operator, the Finance Officer, and a copy is being retained for the files of this office.

Sincerely yours,

Thor H. Killagenn
Acting Executive Officer
DMA Field Team, Region II

Enclosure

cc: USBM (2)
Puffett

11/24/52 gla

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

1201 N. Division St.
Spokane 2, Washington
November 17, 1952

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 21 1952

Reply to: M.E. Volin, Member
DMEA Field Team
Region II

Western States Copper Corp.
5905 Phinney Avenue
Seattle 3, Washington

Subject: Docket No. DMEA 2341 (copper)
King County, Washington
Contract Idm-E436

Gentlemen:

Enclosed are 6 copies of the subject exploration contract prepared in the Washington, D.C. office of the Defense Minerals Exploration Administration and signed for the Government by C. O. Mittendorf, Administrator.

If the terms of the contract are satisfactory, please have all copies signed by an authorized official of the corporation, retain the copy marked "Operator's Copy" for your files and return the original and remaining four copies to this office.

If any of the terms and conditions are unsatisfactory, please return all copies with your comments.

Sincerely yours,

Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II

Enclosure

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

FILE COPY
SURNAME:

Schmidt
Ellis
Talbert
Johnson

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

NOV 6 1952

Mr. A. [illegible] Weissenborn
Executive Officer, Region II
DMA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket [illegible]-341 (Copper)
Western States Copper Corp.
Ferry County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and five copies of the subject contract which have been signed by the Government. When the original and all copies have been signed by the operator, the copies marked "Operator's Copy", "Field Team's Copy", and "Finance Officer's Copy" are to be given to the proper parties. The original and the other copies are to be returned to Washington.

[illegible] has been [illegible] the Owner's [illegible].

The short form has been used [illegible], and the cost estimate used are in accord with those given in the Field Team report of June 2, 1952 by [illegible] and [illegible].

Sincerely yours,

(signed) FRANK E. JOHNSON
(GHB)

Chairman, Operating Committee

F.H.
11-6-52

Enclosures

APPROVED: J. H. Hedges (GHB)
Member, Bureau of Mines

G.R. Finkel, Jr. (GHB)
Member, Geological Survey

FESchmidt/jem 11/4/52
cc to: Adm. Reading File
Docket
Messrs. CHJohnson-3621
ARKinkel-5214 GSA
Ellis Schmidt
Opr. Com.
Field Team, Reg. II
Op Com.

140 FILE COPY
SURNAME:

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

AEKane

October 29, 1952

n.s. in R.v.R.

Memorandum

To: Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: Western States Copper Corporation, Docket No. DMEA-2341

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the maps therein referred to. I also call your attention to the fact that an Owner's Consent to Lien is being waived in this case. The Operator has a lease for a period of almost 10 years.

AEK
J. L. Hofflund
Chief Counsel

Attachments

AEKane/mef
cc to: Mails and Files
Mr. Hofflund
Mr. Kane
Chron.

Western States Copp. DMEA 2341 10/28/52

6/30/52

We ask Field office Weissenborn to get recording data on Rainy - Rainy Fract. Poncho No. 3 and Poncho Fraction

7/21/52

E.A.Magill answers says; " Recording data has been requested from applicant"

7/22/52

Sisenvine writes us that work will be done on Rainy claim recorded Book 16 page 131 Records King County Wash.

Meantime correspondence concerning Owners Consent to Lien which he cannot get.

10/22/52

~~Phones Sisenvine for recording data on all claims involved (in the~~ ~~any possible contract) and he agrees to include all 4 claims and two more that he has just located. He is to forward this data promptly~~

10/22/52

Sisenvine sends list of recording data on Poncho Fract Ponpito. PonpitoNO2 Ponpito No2 (there are apparently two No2 and no No.1) Westacop. The accompanying sketch map shows Westacop (relocated formerly Poncho) this is incorrect it was formerly Poncho #3. In addition to all this he spells it Rainey on the claim map should be Rainy.

So to date we still do not have the data on Rainy fraction though it has been requested on two different occasions. We have two No.2 claims and we have a relocation of Poncho which map shows should be Poncho No.3

This is an example of what causes delay

10/28/52 gla

WESTERN STATES COPPER CORPORATION

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

October 22, 1952

Mr. F. S. Schmidt
c/o Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Administration
U. S. Dept. of Interior
Washington 26, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

Dear Mr. Schmidt:

Confirming our telephone conversation of this date, following are the File and Page numbers of the Corporation's own Claims. The accompanying sketch will probably locate them you your satisfaction.

Poncho Fraction:	File No. 4140017,	Volume 17,	page 454
Ponpito;	File No. 4140018,	Volume 17,	page 455
Ponpito No. 2;	File No. 4166493,	Volume 17,	page 549
Ponpito No. 2:	File No. 4166494,	Volume 17,	page 550
Westaco P	File No. 4253567	Volume 18	page 55

Above claims on file in the records of King County, Washington, Book of Mining Claims.

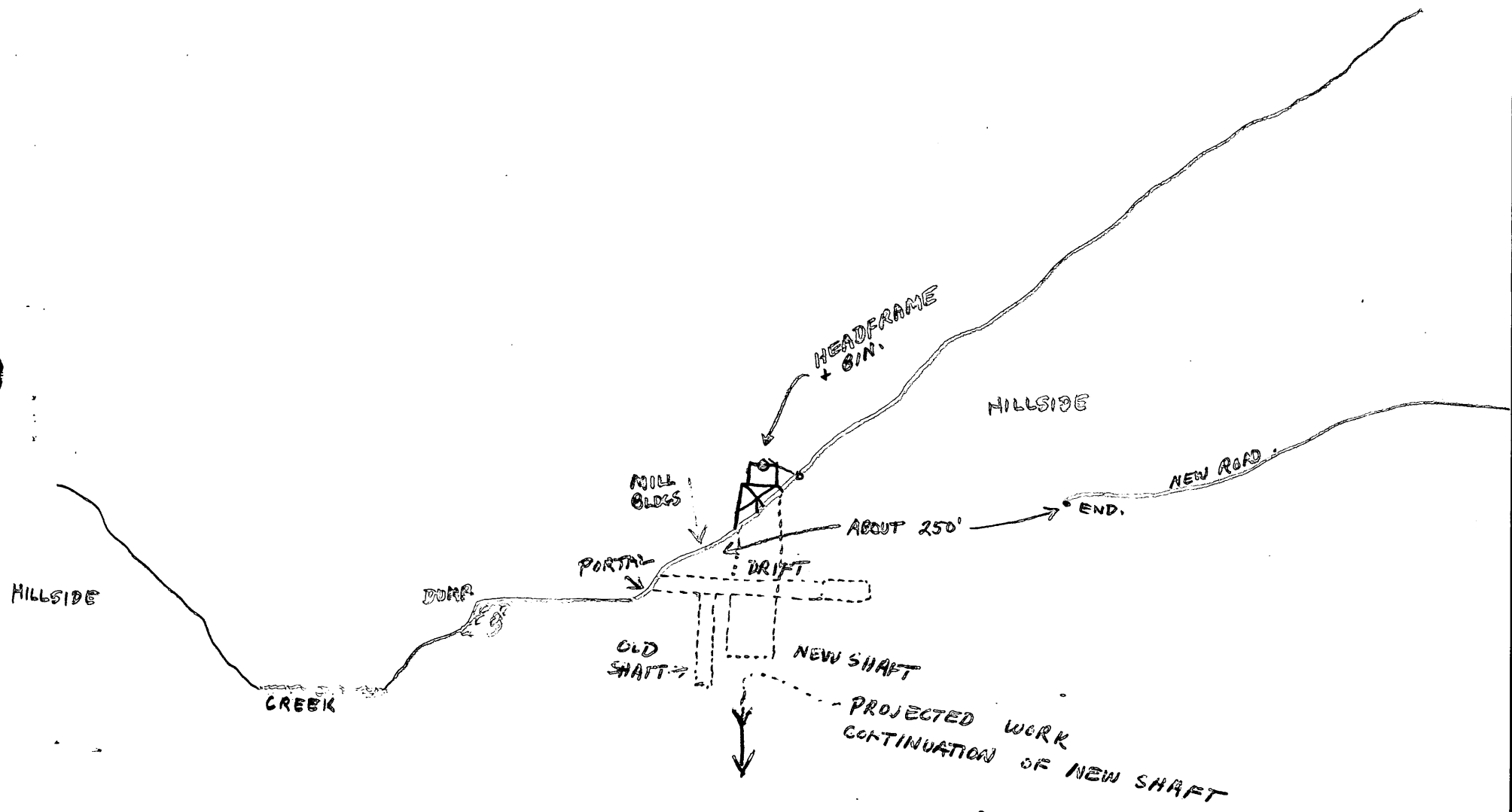
Very truly yours,

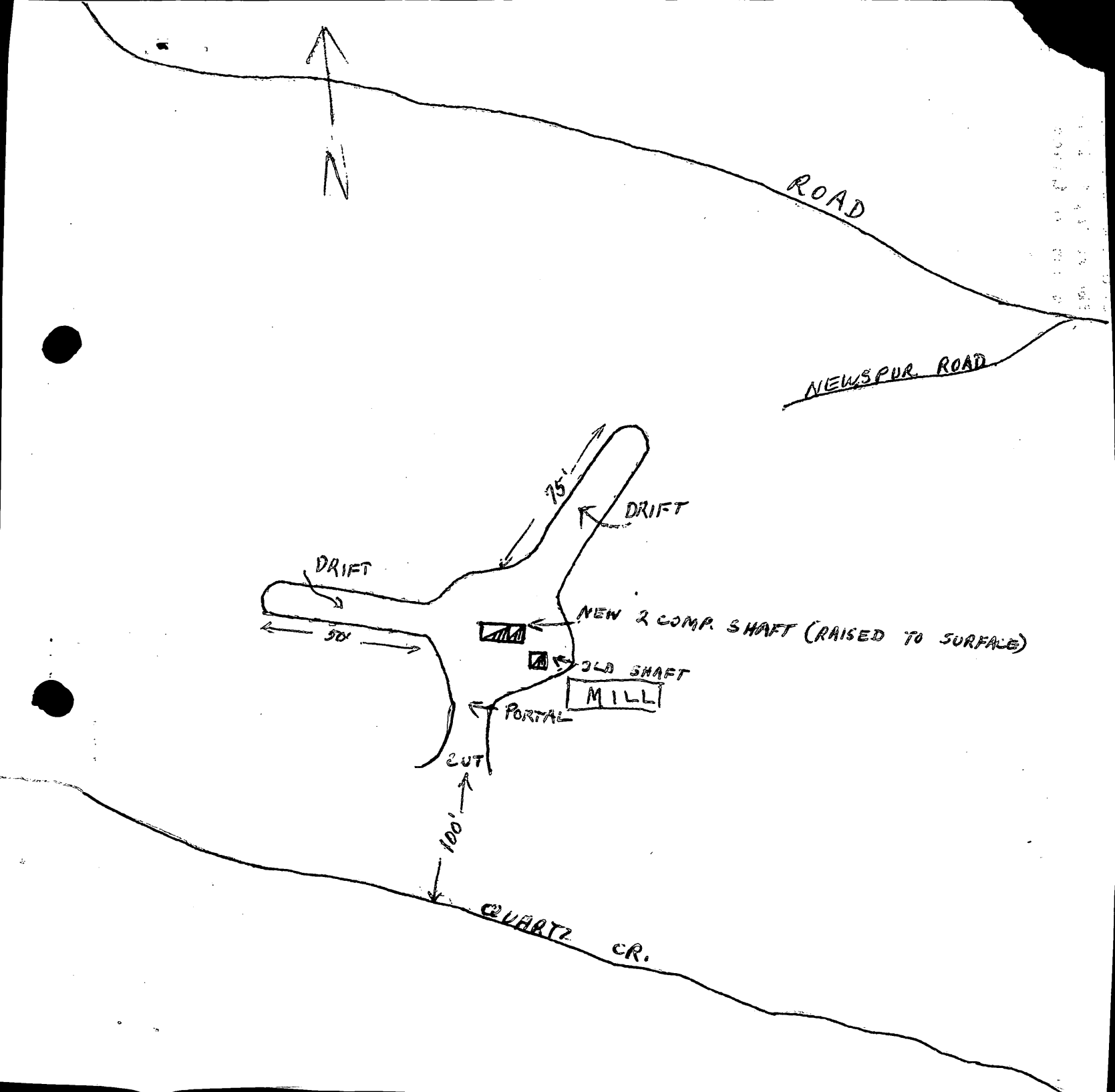
Western States Copper Corporation

Charles Sisenvine

Charles Sisenvine
President

ENC:
CS/e

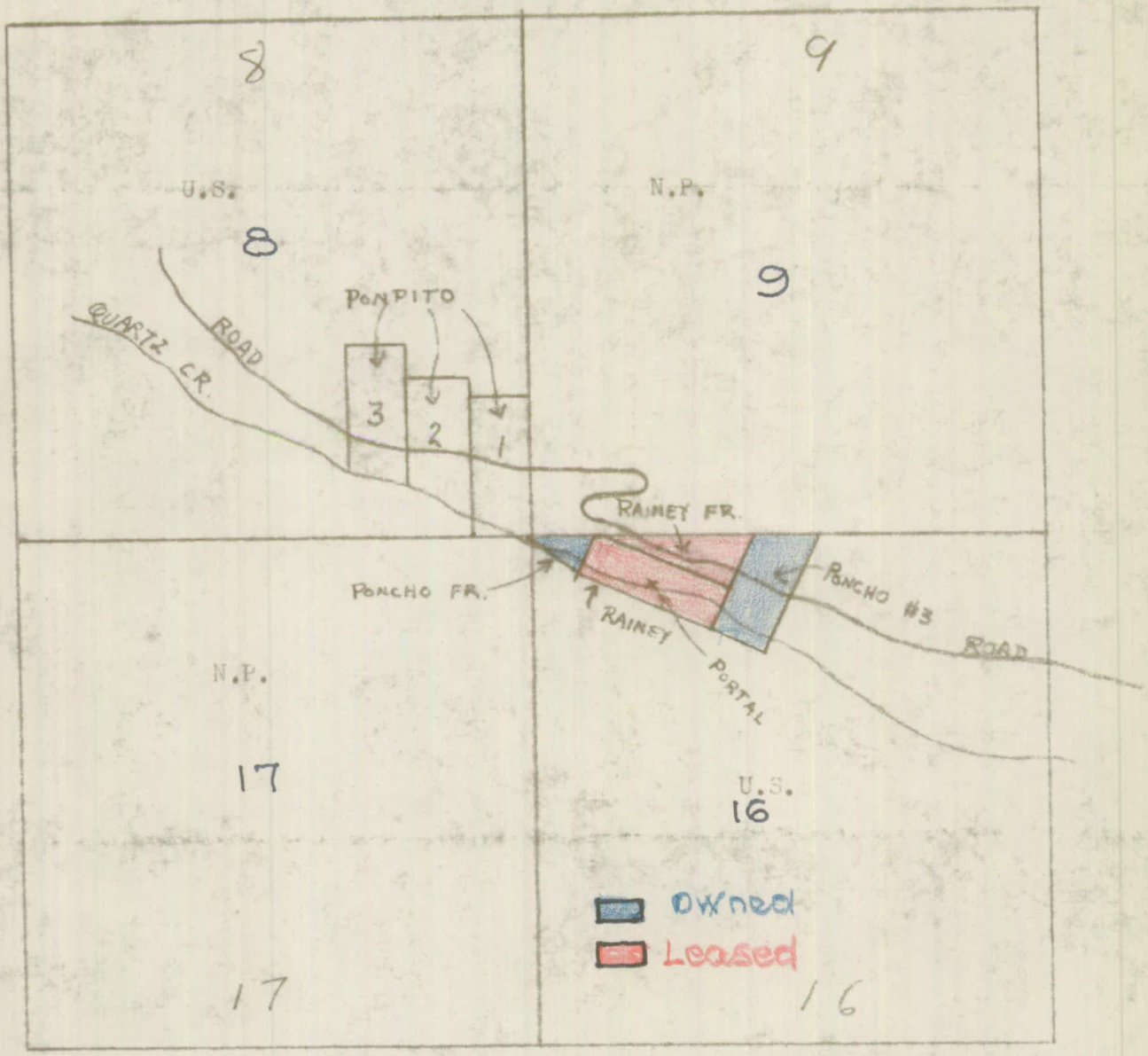

HEADFRAME + BIN.
HILLSIDE
NEW ROAD
END.
MILL BLDGS
ABOUT 250'
PORTAL
DRIFT
HILLSIDE
DUMP
OLD SHAFT
NEW SHAFT
CREEK
PROJECTED WORK
CONTINUATION OF NEW SHAFT


N
ROAD
NEWSPUR ROAD
75'
DRIFT
DRIFT
50'
NEW 2 COMP. SHAFT (RAISED TO SURFACE)
OLD SHAFT
MILL
PORTAL
CUT
100'
QUARTZ CR.

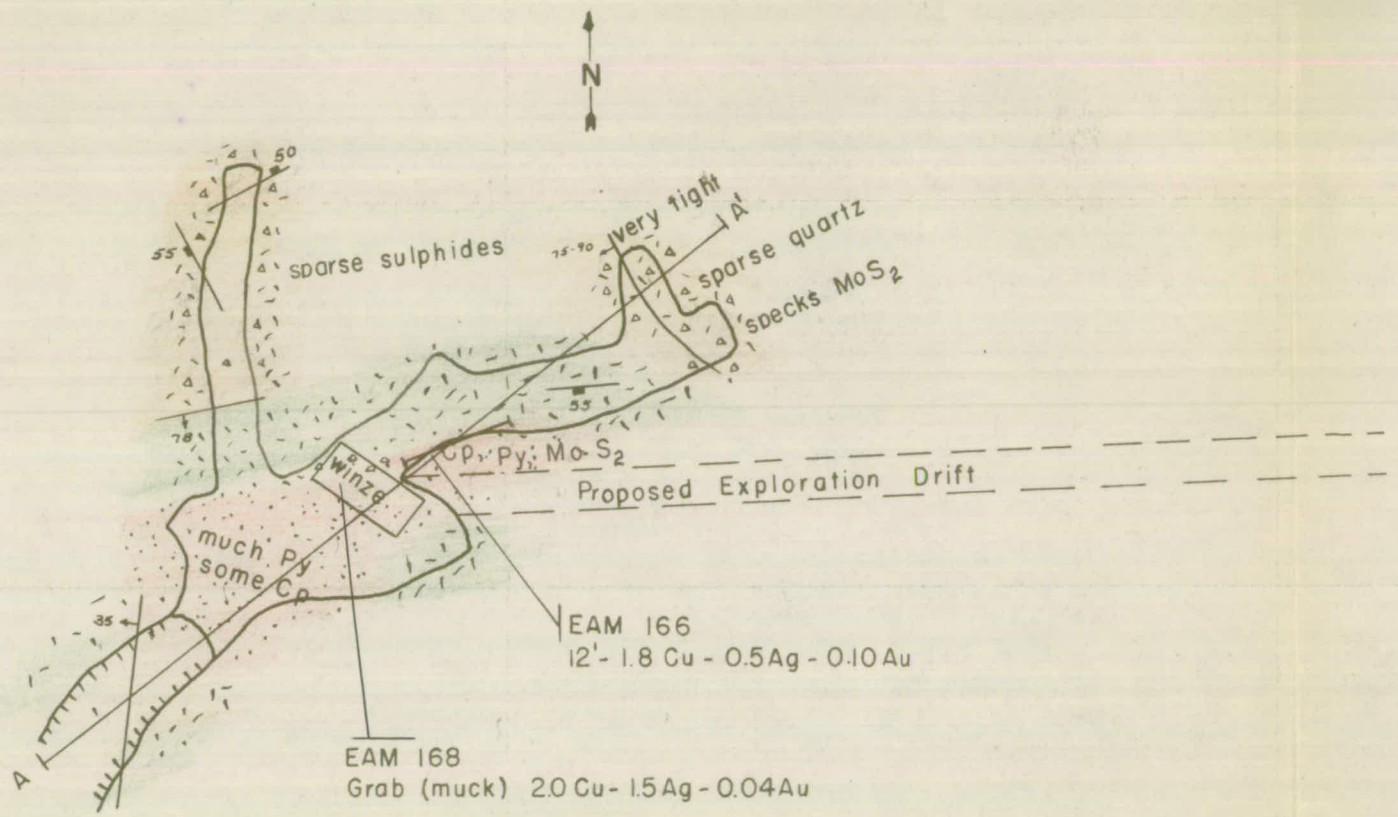
Office: 700 Lewis Bldg.
Phone: CApital 1997
Portland 4, Oregon

WESTERN STATES COPPPER CORP.
RAINEY AND ADJACENT CLAIMS.
DMEA #2341

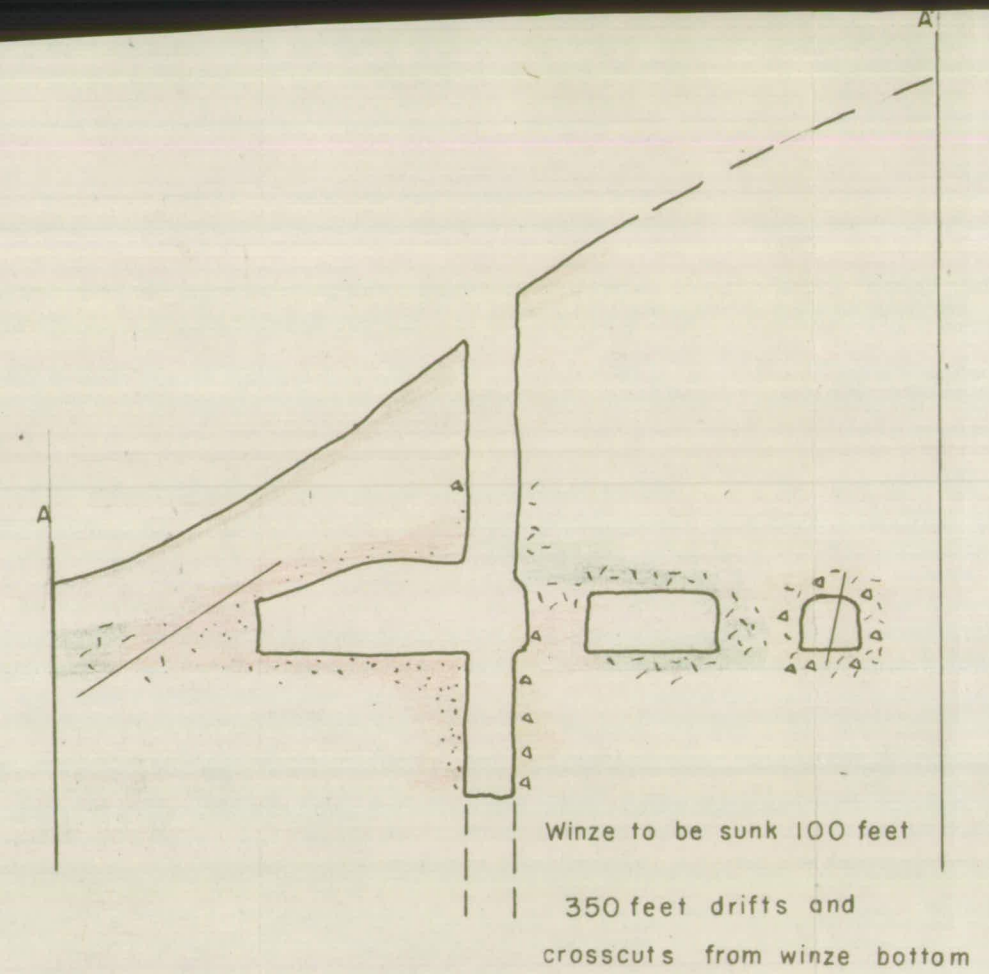
APPROXIMATE SCALE: 3/4" equals # 1320 ft.



TOWNSHIP 24 N., RANGE 10 E.



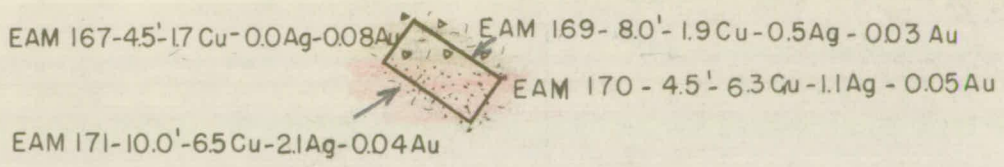
PLAN OF MAIN LEVEL



VERTICAL SECTION A-A'

LEGEND

- Strongly Mineralized Breccia
- Sparsely Mineralized Breccia
- Unbrecciated Granodiorite
- Unconsolidated Overburden
- Strike and dip of joints
- Fault, showing dip



PLAN OF WINZE WITH SAMPLES 9 FEET BELOW MAIN LEVEL

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

Brunton and tape survey
E.A. Magill, USBM, W.P. Puffett, USGS
Geology by Puffett
April 23, 1952

FILE COPY
SURNAME:

Schmidt
Ellis

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

OCT 24 1952

Hon. Warren G. Magnuson
United States Senate
Washington 25, D. C.

Re: Docket No. [illegible]-2341 (Cooper)
Western Water Copper Corp.
King County, Washington

My dear Senator Magnuson:

This acknowledges receipt of your request of October 17 for a report on the status of the subject exploration application, and referring to the telegram received by you from Donald E. Nelson, a director of the Company, dated October 16.

In the absence of the Owner's Consent to Lease, which is needed where the applicant is a lessee, this application does not meet the prescribed regulations. However, we are assembling and analyzing all data submitted by the applicant and our field office on this matter, to determine whether this difficulty may be overcome.

We will be pleased to notify your office as to the final decision regarding this application.

Mr. Nelson's telegram is returned herewith.

Sincerely yours,

10.24

C. D. Whittenberg (fw)

Administrator

Enclosure
Fitschmidt/jem 10/23/52
cc to: Adm. Reading File
Docket
Messrs. C. H. Johnson-3621
A.R. Kinkel-5214 GLA
Ellis Schmidt
Field Team, Region II (2)

October 17, 1952

United States Senate

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
OCT 20 1952

Respectfully referred to
Defense Minerals
DEPARTMENT OF THE INTERIOR

---

with thanks for such favorable consideration as the communication herewith submitted warrants, and for a report thereon, in duplicate to accompany return of inclosure.

By direction of

Magnuson

R WARREN G. MAGNUSON U. S. S.

TELEGRAM

October 16, 1952 PM 10:20

PR.SED372 NL PD=SEATTLE WASH 16=

SENATOR WARREN G. MAGNUSON=
UNITED STATES SENATE OFFICE BLDG. WASH DC=

WOULD APPRECIATE ANYTHING YOU CAN DO TO EXPEDITE APPLICATION WESTERN STATES COPPER COMPANY TO DEFENSE MINERALS EXPLORATION ADMINISTRATION FOR EXPLORATION LOAN FOR RAINY AND RAINY FRACTION CLAIMS KING COUNTY APPLICATION DOCKET NUMBER DMEA 2341 (COPPER) PROBABLY BEING PROCESSED BY EARNEST WILLIA ELLIS CHIEF RARE AND MISCELLANEOUS METALS DIVISION=

JOHN T DALTON DIRECTOR=..

10/23/52

Wait for data from Sisenvine

Map of claims showing where the work is to be done and the mill is located etc

List of the new claims just located with the recording data of all these claims

This is the only data missing to complete the contradt.

The reason for this delay is because my request for this information in the pazt has not been answered.

Data Recd incomplete.
10/28/52

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

October 22, 1952

Memorandum

To: File

From: F. Sommer Schmidt, Engineer
Rare and Misc. Metals Division

Subject: Docket No. DMEA-2341 (Copper, molybdenum, tungsten)
Western States Copper Corp.
Rainy Mining Claim
King County, Washington

Justification for Waiver of Owner's Consent to Lien

The object of the work is to explore for copper ore in a prospect consisting of 350 feet of underground workings. Some 600 tons of 3.25% copper ore have been stockpiled and are now being concentrated in a 50-ton capacity flotation mill, built by the applicant. According to Weissenborn, he paid for the mill with stock in the company, indicating some confidence in the venture on the part of others beside the applicant.

The President of the Company, Sisenvine, has invested $40,000 of his own money in the project.

Gowan of DMPA told me that he had been in the area for Anaconda and thought there might be possibilities of developing large low grade bodies of ore.

Chas. Johnson and I agreed that this small scale hunting for high grade might be the first step in exploring these possibilities and might lead to something more important than this Operator has in mind.

The Field Team thinks the Operator, Sisenvine, is honest, conscientious and sincere, and stated categorically that the only thing they knew against him was that he was not a well-established mining operator. Since they must live with this project, I gave Weissenborn every opportunity to discourage granting a waiver.

Sisenvine does not claim to have much money, but he does claim to have a standing of integrity. Weissenborn says he does not question this.

Sisenvine could not get an Owner's Consent to Lien because he claims that one of the partners, Mr. Grill, holds out while the rest of them were willing. We asked for this refusal in writing which was signed by all three of the partners.

The lease starts December 14, 1951, and is good for five years, after which it can be renewed for another five years, provided a mill is built. This mill is built and is now in operation, so the lease is good for 10 years since last December, which is close to 10 years.

There is one unusual point --- that if any ore is found, he has the mill on the ground enabling the mining of lower grade ores for payment of royalties than would be the case if there were no mill and we depended on shipping grade ore.

In view of the above points, some of which are unusual and favorable, I recommend in this case that we waive the "Owner's Consent to Lien" and complete the contract.

Incidentally, there have been inquiries from Congressman Jackson of Washington (now candidate for U. S. Senate) and also Senator Magnusson concerning the status of this application. A letter to Senator Mangnusson was written October 21 explaining that this waiver of the Owner's Consent to Lien was being studied in the light of all available data.

I took this up with Mr. Huffland who sees no objection to this waiver. from the legal standpoint .

See Field Team Report by E.A. Magill and Puffett 6/2/52 page 7 quote " Mr. Sisenvine is not an experienced mining operator although he is a successful businessman in other branches of business

Schmidt

10/22/52

Fone to Sisenvine. I wanted the book and page of record of all the claims 4 of them ad his permission to involve all of them in the contract. ①

This had been requested some time ago, but no word had been received on this. He informed me that he had located two additional claims and would throw them in and give me the recording data and I also asked him for a better map especially to show the new claims, and also where the wrk was to be done on the claims.

He agreed to send ~~me~~ this airmail

His mill has capacity of 50 ton in 24 hours He shipped some 6 tons of concentrates running 13 % copper to the smelter two weeks ago. He is just tuning up the mill At present running about 10 tons per day thru the mill for this testing for proper flotation reagents etc. The grade of the heads is from 3 to 4 % copper with some gold a d silver the stock pile has 600 tons of 3.25% copper ore.

The important point to me is not the exact efficiency of this mill but the fact that it is a practical functioning mill tht must be complete in order to do this.

Expect r4cording data on all his claims and map of the claims.

① my letter 6/30 to Trevino. Their unsatisfactory answer 7/21

10/21/52

A memo is being prepared for this file to show reasons why we would be justified in waiving the Owners Consent to Lien.

Meantime Senator Magnuson has asked for a report in duplicate, on the status of this application.

Therefore instead of being able to give him definite information all we can tell him now is that the matter is being taken under advisement.

A contract will be drafted soon for presentation to Mr. COM. to ascertain whether he will waive the Owners Consent .

Fone 10/20/52 Weissenborn

Sisenvine is not well known but he is credited with honesty and sincerity so far as they know in that office. The only thing against him they can think of is that he is not well established in the mining business. He has built a small flotation or concentrating mill and is now operating it on ore that he has extracted. Bought the mill with stock of the company. Reports say that he had 600 tons on the dump, of mill grade. He is probably not an experienced operator.

The district in which he is operating is promising because there is a chance that his work may lead to the development of larger low grade ore bodies. Gowan knows this area and thinks there is a chance for wide spread occurrence of low grade ore. He examined it for Anaconda. Chas Johnson agreed with me that we wanted to see work done in that locality because it might develop into something more important than this project

Scl.

10/17/52

Mr. Schmidt:

Senator Magnusson's office inquired about Western States Copper application -- DMEA-2341. I told her that the engineer who was working on this docket was absent today, but that certain information that was necessary before processing could continue had just been received; that I didn't know if it was complete enough to proceed with the writing of a contract. She said she would keep in touch with our office on it. ("She" didn't give me her name.)

Mrs. Ault

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE .....

REFERRED TO:

1. .....
2. .....
3. .....
4. .....

FOR:

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

REMARKS: .....

.....

.....

.....

.....

Check (X) before the items needing attention.

.....

Initials of sender.

GPO 16—63815-1

FILE COPY
SURNAME:

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

Schmidt
Ellis
Martin
Holland
Attendorf

OCT 1 1952

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

Re: Docket No. DMA-2341 (Copper)
Rainy and Rainy Fraction Claims
King County, Washington

Dear Mr. Eisenvine:

There has been forwarded to this office six copies of a guaranty by your corporation of the royalty payments obligated in the proposed contract on the captioned docket. We have also received six copies of a statement by W. J. Grill refusing to execute Owner's Consent to Lien forms.

The guaranty has been signed by Western States Copper Corporation, Charles Eisenvine, President. Some changes will be required in this guaranty as per the enclosed copy. In the event that the owners are willing to sign a form similar to the Owner's Consent to Lien in the future, the purpose can be accomplished, but not by using this form F-203 as stated in your Guaranty. This part of the guaranty you have forwarded has therefore been deleted in the enclosed copy.

This guaranty will also require the attestation of the secretary and the seal of the company.

In accepting substitution of the corporate guaranty for the Owner's Consent to Lien, involving the assumption of the obligation of guaranteeing the payment of royalty for ten years, it naturally becomes necessary for us to establish the reliability of the guarantor which is analagous to providing this office with a credit rating involving the following points:

1. The name of your company's bank.

2. Financial statement showing assets and liabilities.

3. Net income for the past two years.

4. Credit rating from some credit agency, such as Dun and Bradstreet.

5. References as to corporate officers, and any other data that would substantiate the responsibility of the corporation and the executive personnel.

The determination as to whether to substitute the applicant's guaranty for the usual Owner's Consent to Lien will be dependent upon the information we receive.

Sincerely yours,

Signed F.H. 10-1-52

Ernest O. Ellis, Chief
Rare and Misc. Metals Division

Enclosure
FSchmidt/gla/jem
cc to: Adm, Reading File
Docket
Messrs. OHJohnson-3621
Ned Nelson-4216 OSA
Ellis Schmidt
Field Team, Region II (2)

9/24/52 fem

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

1201 N. Division St.
Spokane 2, Wash.

September 22, 1952

Mr. Frank Johnson, Chairman
Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMEA 2341 (copper) Western States Copper Corporation, Rainey Mining claims, King County, Washington

Dear Mr. Johnson:

Enclosed are six copies of a Guaranty submitted by the subject applicant which he desires to have substituted for the Owner's Consent to Lien he is unable to obtain. Also enclosed is a letter from a representative of the owners of the property to the applicant refusing to sign the Owner's Consent.

We have no information regarding the financial responsibility of the applicant and a satisfactory investigation is recommended.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team, Region II

Enclosures

CC: 3-Wash

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1952

APPENDIX II

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of a ~~landlord's subordination agreement~~ owner's consent to lien as set forth in paragraph 2(b) of the attached Exploration Project Contract between the undersigned and the United States of America, the undersigned hereby guarantees the payment to the Unites States of America of royalties, as specified in ~~paragraph 15 of~~ said Contract, upon any and all ore discovered or developed as a result of said Contract, 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 from operations that would be subject under said contract 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 Administration or by the Director of the United States Bureau of Mines shall be final and binding upon the undersigned. ~~provided, however, that should undersigned, prior to the accrual of any obligation to pay under this guarantee, furnish to the United States the subordination agreement required by paragraph 2(b) of said contract this covenant shall thereupon become fully satisfied and of no further force or effect.~~

Dated this 12th day of Sept. 1952.

Western States Copper Corp.

Charles Lesemwine, Pres

President.

The corrections by Legal (Rubin) 8/25/52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1952

APPENDIX II

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of a landlord's subordination agreement as set forth in paragraph 2(b) of the attached Exploration Project Contract between the undersigned and the United States of America, the undersigned hereby guarantees the payment to the Unites States of America of royalties, as specified in paragraph 15 of said Contract, upon any and all ore discovered or developed as a result of said Contract, 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 from operations that would be subject under said contract 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 Administration or by the Director of the United States Bureau of Mines shall be final and binding upon the undersigned; provided, however, that should undersigned, prior to the accrual of any obligation to pay under this guarantee, furnish to the United States the subordination agreement required by paragraph 2(b) of said contract this covenant shall thereupon become fully satisfied and of no further force or effect.

Dated this 12th day of Sept. 1952.

Western States Copper Corp.

Charles Susewine, Pres

Superseded

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 24 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Wash.
September 10, 1952

VIA SPECIAL DELIVERY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 15 1952

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

Subject: Docket No. DMEA 2341 (copper)
Rainy and Rainy Fraction Claims
King County, Washington

Dear Mr. Sisenvine:

Enclosed are six copies of a form by which repayment of funds advanced by the Government under an exploration contract is guaranteed. If accepted by the Government, this guarantee may be substituted for the Owner's Consent to Lien which you are unable to obtain.

It is again emphasized that a written statement from the owners refusing to give Owner's Consent will be required before such a substitution can be considered.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team
Region II

Enclosure

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

FILE COPY
SURNAME:

Schmidt
Ellis

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

Mr. Charles Eisenvine, President
Western States Copper Corporation
5905 Chinney Avenue
Seattle, Washington

Re: Docket DMA-2341 (Copper)
Claims and Mining Fraction Claims
King County, Washington

Dear Mr. Eisenvine:

This refers to your letter of August 22, 1952, appertaining to the above capptioned docket.

It is not clear from your letter whether the owners will sign the Consent to Lien which is a pre-requisite to writing the contract.

Enclosed please find 2 sample copies of the short form of contract (2100) at present proposed for this project, which may assist the owners in concluding to either sign the owner's consent to lien or to refuse to do so in writing.

Until such time as the Consent to Lien is provided, or a satisfactory guarantor assumes the responsibility, there is nothing further we can do toward expediting the contract.

It is therefore hoped that you will have no further difficulty in securing the owner's consent.

In answer to your question whether work performed prior to the contract date would receive compensation, we regret to inform you that no funds can be made available until the contract is dated and signed by both the Operator and the Government.

Sincerely yours,

C. O. Mittendorf (for) 8/27/52

Acting Administrator

Enclosures

Ellschmidt/jem
8/26/52
cc to: Adm. Reading File
Docket
Messrs. CHJohnson-3621
Ned Nelson-4204 USA
Ellis Schmidt
Field Team, Region II (2)

WESTERN STATES COPPER CORPORATION

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

Seattle Wash.
August 22nd 1952.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

Defense Minerals Exploration Admin.
Washington, D.C.

Gentlemen:-

RE- DMEA #2341

A letter from your Department dated I think, August 18th, 1952, states that the "Owners Consent to Lien" is the form preferred to any personal guarantee by the "Operator." In previous correspondence, I told you of difficulties encountered in getting consent from the owners for the Exploration Contract.

Today I had further discussion with the owner and I now find that he would be willing to sign said "owners consent." This I presume will eliminate that particular difficulty. However, the particular co-owner who had objected previously to such "Consent" said he would naturally like to see the contract I will enter into with the Government before signing. However, since I have already explained to him the Contracts general terms and conditions, I anticipate no difficulty.

Therefore, I respectfully ask you to proceed with all diligence in bringing this matter to a speedy conclusion. We are all set up and ready to begin work, and only your formal approval is holding up our shaft sinking. If we were to start work immediately without awaiting your formal notification of approval, would we receive any compensation for work completed between this date and said formal notification or signing of contracts?? If so, we would like to start immediately. If not, financial considerations will compel us to stand by until your approval is received. Since our shaft sinking is to be done on a very rich ore chute you will readily understand why we are so anxious to start this work.

Very Truly Yours,

Charles Sisenvine

Charles Sisenvine, Pres. (Operator)
Western States Copper Corp.

CS/es

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

1201 N. Division St.
Spokane 2, Wash.
August 22, 1952

VIA AIR MAIL

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Washington 25, D. C.

Subject: Docket No. DMEA 2341 (copper)
Western States Copper Corp.
Rainey Mining Claim
King County, Wash.

Dear Mr. Johnson:

The applicant is anxious to know the status of the above indicated application for exploration assistance. He points out that the project must be started soon to make it possible to work through the winter.

It would be appreciated if you can supply us with the information he requests.

Sincerely yours,

M. E. Volin

M. E. Volin, Member
DMEA Field Team
Region II

8/25/52

The applicant has not as yet received our letter of 8/19 which would explain his status to him.

SCH.

FILE COPY
SURNAME:

Schmidt

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

AUG 18 [illegible]

Mr. Charles [illegible]
Western [illegible] Corporation
5205 [illegible]
Seattle, Washington

Re: Docket No. [illegible]-2341 (Copper)
[illegible] Fraction Claims
[illegible] County, Washington

Dear Mr. [illegible]:

This refers [illegible] letter of July [illegible], in which you state that Mr. [illegible] will one of the three owners of the [illegible] and [illegible] fraction claims, is returning to him the form [illegible]-203 [illegible] consent to [illegible].

[illegible] most important that every possible effort be made to [illegible] the owners [illegible] initiated exploration projects for the [illegible] Government [illegible] owners. [illegible] Government [illegible] [illegible] from the [illegible]. [illegible] of [illegible] our [illegible].

[illegible] period [illegible] subject [illegible] completed, [illegible] the contract.

[illegible] there is [illegible] owners [illegible], but it is [illegible] definitely [illegible] that it is impossible [illegible] consent. [illegible] the owners, [illegible] in which the [illegible] consider the substitution of a [illegible].

In the event that it becomes necessary as a last resort to substitute a guarantee on the part of the owners, the procedure is exacting, and involves submitting financial reports, ratings, etc. for which no routine procedure can be provided.

It naturally involves an investigation of the financial standing and reputation of the guarantor to satisfy the requirements of the Government. The obligation may also be assumed by a third party who is in position to guarantee the payment of royalty obligations.

It is suggested that the owners be properly advised as to the advantages to be gained by them in permitting this project to be executed and in the event that they definitely refuse to sign the Owners Consent to Lien, which is apparently not exactly the case, as indicated in your letter of July 24, it is requested that the Bureau provide us with a written statement to that effect.

The enclosed pamphlet entitled "Leasing of Minerals Exploration" may be of some additional information on this matter.

Sincerely yours,

signed

8/19

Ernest A. Lee, Chief
Lease and Inc. Div. Division

F.Schmidt/jem
8/15/52
cc to: Adm. Pending File
Docket
Messrs. C. Johnson-3621
Ned Nelson-4216 Gen.
Ellis Schmidt
Field Team, Region II (2)

8/18/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 North Division Street
Spokane 2, Washington
August 14, 1952

Mr. Frank E. Johnson
Chairman Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

RE: Docket No. DMEA 2341 (copper)
Western States Copper Corp.
Rainy Mining Claim
King County, Washington

Dear Mr. Johnson:

In regard to the subject docket, we have received revised assay results on the samples taken during the field examination. A comparison of these results is tabulated below for your information.

See Map Width	Sample No.	Northwest Technical Lab. Spokane, Wash. See Field Team Map Percent Copper	Ounces per ton Gold	Ounces per ton Silver	U.S.B.M., Albany, Ore. June 11, 1952 Percent Copper	Ounces per ton Gold	Ounces per ton Silver	U.S.B.M. Albany, Oregon July 23, 1952 Percent Copper
15+								
12'	EAM-166	1.8	0.10	0.5	2.16	0.20	3.9	2.9
4.5	EAM-167	1.7	0.08	0.0	1.76	0.08	3.9	2.5
Grab	EAM-168	2.0	0.04	1.5	2.73	0.20	4.5	3.9
8.0	EAM-169	1.9	0.03	0.5	1.28	0.08	5.2	1.9
4.5	EAM-170	6.3	0.05	1.1	5.37	0.04	1.8	6.5
10.0	EAM-171	6.5	0.04	2.1	6.14	0.02	1.3	6.6
?	EGE-95	Not on Map			5.24	0.06	2.5	7.0
?	EGE-96				7.46	0.03	1.1	8.6

These results are of interest inasmuch as they indicate a slightly higher grade than originally reported.

Sincerely yours,

Glenn C. Reed
For M. E. Volin
Acting Executive Officer
Field Team, Region II

cc: Wash. (2)

Since it has been [illegible] to write a [illegible] for the application when we receive owners consent to sign [illegible] these new assays [illegible] matter. The differences in assays on same samples is extraordinary. Why among the same samples [illegible]? Sch.

8/12/52 gla

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

1201 N. Division St.
Spokane 2, Wash.

AUG 11 1952

August 5, 1952

MEMORANDUM

TO: Chairman, Operating Committee, DMEA, Washington, D. C.

FROM: Field Team, Region II

SUBJECT: Docket No. DMEA 2341 (copper), Western States Copper Corp., King County, Washington, Owners Consent to Lien

The Field Team has been advised by the applicant, Mr. Charles Sisenvine, regarding the impossibility of obtaining the Owners Consent to Lien. Copies of Mr. Sisenvine's communication in reference to the situation are enclosed for your information.

Inasmuch as a copy of the Lease was forwarded, together with the application, to your office, it no longer is available to us for review. Consequently, it cannot readily be determined if removal of facilities, equipment, etc., that may be installed under the terms of an exploration contract is specifically prohibited. If upon review, the leasing terms are considered acceptable, it is requested that an appropriate revision be made in article 2(b) of the contract form.

By Field Team, Region II

Glenn A. Rae
For M. E. Volin, Acting Exec. Off.
(Bureau of Mines)

S. Warren Hobbs
S. Warren Hobbs, Acting Member
(Geological Survey)

Enclosures

CC: 3-Wash.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Wash.

July 29, 1952

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

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

Dear Mr. Sisenvine:

Reference is made to your letter of July 22. Under certain conditions the Government may waive its requirement of the Owners Consent to Lien and accept in lieu the Lessee's Guaranty. Such action, however, can be taken only upon approval by the Administrator, DMEA.

With respect to the "Rainy Claim" the Washington Office is being informed of your willingness to assume the obligation. If a waiver of the Owners Consent is justified in the opinion of that office, a guaranty will be prepared and forwarded for your consideration and signature.

Sincerely yours,

G. C. Reed
Acting for M. E. Volin, Chief
Mining Division, Region II

CC: 2-Wash.
USGS
S.M.Shelton
DMEA

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 J. 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 [illegible] 2341 (Copper)

Dear Mr. Reed:

In response to your letter of July 1[illegible], 1952, the "[illegible]" which is the location upon which the [illegible] is recorded in Book [illegible], 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. M. 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 are 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 [illegible] anxious to have this application approved and to commence work.

Very truly yours

WESTERN STATES COPPER CORP.

Charles Eisenvine

Charles Eisenvine
President.

C.E./e

8/5/52 rgla

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

So. 157 Howard Street
Spokane 4, Washington

July 29, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corp.
Rainy Mining Claim
King County, Washington

Dear Mr. Johnson:

Your letter of June 30 concerning the above docket was referred to the Bureau of Mines for attention. Two copies of a memorandum prepared by E. A. Magill (dated July 21, 1952) have been sent to you directly from the Bureau of Mines office. This is to advise you of this action. We believe the memorandum will answer the questions raised in your letter.

Sincerely yours,

S. Warren Hobbs

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)

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

not mailed
Operations Com. should
Thought we should
write contract
8/4/52
and not check
the old winze

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket DMEA-2341 (Copper)
Western States Copper Corp.
Rainy Mining Claim
King County, Washington

Dear Mr. Weissenborn:

The map of the Main Workings on the Rainy Claim accompanying the Field Team report of Magill and Puffet dated June 2, 1952, did not show the presence of the old winze which is referred to in the report on page 4 as follows: "Another 40 foot deep winze with 30 feet of drifting from its bottom was not accessible at the time of the examination".

In the letter of Mr. D. A. Magill of July 21, 1952, in answer to question 12 of our letter of June 30, we learn that this old winze is only 10 feet from the proposed new shaft, and that "reportedly copper ore was encountered in the workings off the old winze". It is a matter of interest to know why any working that is as important as this winze is in providing geological data on which to base decisions concerning the new proposed work, would be inaccessible. The ground apparently stands well, for it is noted that there is no timbering in any of the workings to date.

The data concerning the proximity of the old winze to the new proposed shaft, makes it necessary for us to re-examine our position in this matter. It is not a question of whether the present shaft site is the best, but whether we wish to sink the new shaft at all.

It is requested that if possible, an examination be made including the geology, sampling, surveying and mapping of these old winze workings. If they are filled or otherwise impossible of access, a justification for their being in that condition, and also for proposing the duplication of so much work from an exploration standpoint, should be more fully presented.

Sincerely yours,

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

Chairman, Operating Committee

M. E. Volin, Member DMEA Field Team, Reg. II

July 21, 1952

E. A. Magill, Mining Engineer, Bureau of Mines

Docket No. DMEA 2341 (Copper)
Western States Copper Corporation, Rainey Mining Claim, King County, Wash. Reply to letter of June 30, 1952 from Frank E. Johnson

In the examining teams recommendation, no mention is made of the purchase of $350 worth of equipment. They assumed that any purchase of necessary equipment would be included in the per foot cost. No depreciation allowance on any equipment would be necessary under the short form contract. The case of improvement of miner's quarters it was intended that it be considered as one job. However, if this is not allowable I'm sure the operator would be agreeable to assuming the total cost himself.

The cost of $1000 for accounting is not mentioned in the examining teams recommendation. It was assumed that any accounting cost would be included in the per foot cost.

The answers to the numbered items of the letter:

1. The State of Washington.
2. Copies of Form MF-203 "Owner's Consent to Lien" are being forwarded to applicant for execution.
3. Recording data has been requested from applicant.
4. The examining team gives no cost breakdown for supplies or labor. It was considered that $30 per foot would be considerably under actual costs from experience gained with other exploration projects. Labor costs in the area are high due to the logging operations. They will probably average $17.50 per shift including taxes, insurance, etc. It is considered that labor cost is approximately 60 percent of that of the supplies and equipment cost. A one shift per day operation 5 days per week is used for estimating. Advance of 1½ feet per shift with 3 men and supervisor is considered on the shaft sinking, the drifting or crosscutting an advance of 4 feet per day is used with 3 men and supervisor.
5. A 1½ compartment shaft with 5 x 5 feet clear in the main compartment. Hoist cable, etc., are to be furnished by the operator and are included in per foot cost.
6. The examination team allowed for 100 feet of shaft in the cost estimates, this would allow for a 16 foot sump below the 100 level.
7. Hoist would be on the surface.

8. The examining team recommended 8 month operating time on page 3 of their report.
9. It is assumed that the drift will be 5 x 7 in the clear. No timbering has been used in any of the workings to date and it can be assumed that little will be necessary in the future.
10. This figure was arrived at from experience in cutting similar stations. It is considered that the figure of $500 is very low. It might be well to mention in the contract that this is also to include a skip pocket.
11. According to law, the operator must pay overtime for any over 40 hours per week. The mine is presently working one shift per day, 5 days per week. An average figure of 12% of the payroll can be assumed for compensation insurance, social security, unemployment insurance, etc.
12. At the time of the examination the winze in question was logged over and covered with muck; however, it is located approximately 10 feet southwest of the shaft which the operation is now sinking. The operator considered it cheaper to sink a new shaft rather than to use the old winze. Reportedly, copper ore was encountered in the workings off the old winze.

E. A. Magill

cc: 2 cys Wash.
USGS
Albany

FILE COPY
SURNAME:
700

Schmidt
Ellis
Johnson

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

JUN 30 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMEA-2341 (Copper)
Western States Copper Corporation
Rainy Mining Claim
King County, Washington

Dear Mr. Weissenborn:

We would like to co-operate with you in using the short form contract as you recommend. However, where items are merged into the total unit cost, which involve Government equities, these cannot be protected in the short form. The Government has an equity in any equipment bought or any structures built as in this case, and if these costs are not separated, for setting up a Government equity independent of the unit cost per foot, the Government equity is wiped out when the advance per foot is paid for on a unit basis. In this case, the amount for equipment to be bought at $350.00 and the amount for improvements (miners' living quarters) at $195.00 are not great, but the principle is involved (see Paragraph 2 of DMEA Circular 21).

The fact that these costs are not great makes it possible to use the short form under the following conditions:

First: Let the applicant buy this $350.00 worth of equipment himself and rent it to the project on the depreciation basis of one sixtieth of its present value per month for the length of time it will be used on the project. This would consequently add this item to the following one on page 2 of the Field Team report "Equipment to be furnished by operator" the rental for which is figured in the same way. If this is done the Government would have no equity in the equipment and the depreciation would be part of the total cost per foot.

Second: The construction of improvements (miners' quarters) at $195.00 if made at the operator's expense would again eliminate the Government equity.

If these steps are taken, the other items listed on page 2 of the report could be charged to cost per foot under the short form. This would materially reduce the cost of $1,000 for accounting as well as eliminate many administrative details. From the Government point of view the contract would involve only the advance in feet, and not actual costs. The cost of accounting, as a charge against the work, forms a proper part of the total estimated costs from which the unit costs are derived, but once these accounting costs and the total estimated costs are agreed on, and embodied in a cost per foot, the Government requires no accounting of any expenditures.

In any case, whether the long form or short form is used, the estimated costs establishing the unit cost per foot for our approval must be provided in sufficient detail to permit complete analysis.

To supplement the Field Team report of June 2, 1952, it will be necessary to provide this office with the following information regardless of what form of contract is used:

1. In what State is the Western States Copper Corporation incorporated?

2. There must be 7 copies of the "Owner's Consent to Lien", form MF-203, for the claims leased by the company, namely "Rainy" and "Rainy Fraction".

3. It will be necessary to have the recording data as to book, page and County seat of the Rainy, Rainy Fraction, Poncho No. 3, and Poncho Fraction.

4. The cost for labor is given as $12,750.00 and supplies $5,423.75 without any breakdown whatever. There must be a detailed accounting for the labor as outlined in form MF-103, and what supplies are used, so that these can be analyzed on a cost per foot basis for the shaft and drifts.

5. There is no data as to the cross-section of the shaft, or the size of compartments, or the timbering nor as to any hoist, cable, etc.

6. It is not clear whether the shaft is to extend to the 100-foot level, which would be 84 feet, or is to be deepened 100 feet.

7. Would the hoist be on the surface or in a station in the main level?

8. Is the project to take 5 months or 8 months?

9. Are the drifts to be 5 feet x 7 feet in the clear? Also, would it not be possible from present experience to estimate what proportion of the drifts would require timbering and estimate costs to include this as would be necessary in a unit cost contract?

10. One item on page 3: "Cut station on 100 level-$500.00." It will be necessary to have some knowledge of how this figure is obtained.

11. In providing data as to costs it is necessary to know whether the project will involve overtime for Saturdays and Sundays, also whether the mine will work one or two shifts per day, and the amount of payroll taxes for compensation insurance, social security, unemployment insurance, etc.

12. The report page 4 refers to another mine 40 feet with 30 feet of drifting from the bottom, which was inaccessible at time of examination. The map and section do not show their location. Such information as is available concerning these workings would be of interest even if it is negative.

Upon receipt of the necessary data we will be pleased to proceed with processing either the short or long form contract.

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee

A.N. 6-30-52

APPROVED:

J. H. Hedges (JHB)

Member, Bureau of Mines

T. P. Thayer (JHB)

Member, Geological Survey

FSschmidt/jem
6/27/52
cc to: Adm. Reading File
Docket
Messrs. CHJohnson-3621
Ned Nelson-4216
Ellis Schmidt
Opr. Committee
Field Team, Region II

6/27/57

Western States Copper

With reference to the map and section of the workings: (1) Where is the 40-foot range and the 30 foot sub-level drift? This could be indicated from applicant's information even if not accessible. ~~(2) Please clarify the~~ What was reportedly exposed in these workings? Surely some information was gained, even if negative. (2) The vertical section A-A' fails to show the portal, though it appears to cut through it. Why is this?

6/27/57

Notes by Chas. Johnson

6/26/52 gla

IN REPLY REFER TO:

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

June 25, 1952

Memorandum

To: The Operating Committee, DMEA

From: N. E. Nelson

Subject: DMEA-2341 Western States Copper Corporation, King County, Washington

Sampling by the field team has indicated one band of fair to good material at the top of and in the winze.

To follow the ore downward by winze and forward by drift, as recommended by the field team, is the normal way to develop the showing. However, it may not be possible to make such a program fit the DMEA requirements.

As intimated funds are not plentiful and income is desired perhaps a grass roots operation can be built up, but diamond drilling which should not be ruled out, could indicate enough ore to warrant a production loan.

If private capital is not obtainable, a compromise of some sort should be worked out.

N. E. Nelson

N. E. Nelson
Geologist

6/13/52 gla

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

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Received
JUN 13 1952

June 9, 1952

ON-SITE EXAM.

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA

From: Field Team, Region II

Subject: Western States Copper Corp.
King County, Washington
Docket No. DMEA 2341
Commodity: Copper

Enclosed are the original and three copies of a report by E. A. Magill of the U. S. Bureau of Mines and W. P. Puffett of the U. S. Geological Survey, which recommends that the Western States Copper Corp. be given assistance to explore their property.

The Field Team concurs with the examining team's recommendations that a modified exploration program, as outlined in their report, be given favorable consideration.

By DMEA Field Team, Region II

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

M. E. Volin
M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: USBM, Albany
USBM, Spokane
USGS (SRO)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
Administration
JUN 13 1952

June 2, 1952

Memorandum

To: DMEA Field Team, Region II

From: E. A. Magill, U. S. Bureau of Mines and
W. P. Puffett, U. S. Geological Survey

Subject: Western States Copper Corporation
King County, Washington
Docket No. DMEA-2341
Commodity: Copper

Recommendations

The examining team recommends that favorable consideration be given a modified exploration program as outlined in this report. It is further recommended that, inasmuch as the applicant intends to carry on mining operations concurrent with exploration, that a short form contract be used if an exploration project is entered into.

Applicant

The applicant is the Western States Copper Co., 5905 Phinney Avenue, Seattle 3, Washington. Charles Sisenvine of Seattle is President.

Location of Deposit

The Western States Copper property is located in secs. 8 and 16, T. 24 N., R. 10 E., W.M., Snoqualmie mining district, King County, Washington. It consists of 7 unpatented lode mining claims.

Ownership

The applicant is leasing the Rainy and Rainy Fraction claims from W. L. Grill, M. F. Gilbreath, and H. L. Bethel. The Ponpito 1, 2, 3, Poncho Fraction and Poncho no. 3 are held by right of location by the Western States Copper Corporation. No check was made of the county records.

350 - 50

History and Past Production

Several short adits were driven on the property in the early part of the century. This early work disclosed disseminated pyrite and chalcopyrite. The property lay idle until 1950 when the applicant began operations. By this time logging operations had carried a road to within about 500 feet of the workings. Late in 1950 and during the summer season of 1951, the applicant crosscut a total of 60 feet and sank a winze 16 feet. In 1952 the applicant drove a 25-foot raise to the surface over the winze where he plans to locate a headframe.

The applicant has installed a 500-foot tram from the road, has a mill building partially erected, and the major items of equipment on the property for a 50 ton per day flotation mill. He plans to complete erection of the mill this summer (1952).

The only production from the property is a shipment of 30.95 tons made in May 1951 which contained gold, .05 ounces per ton; silver, 1.88 ounces per ton; copper, 3.25 percent.

Description of Proposal

The applicants propose to sink the shaft, which they already have started, to a depth of 100 feet and drift and crosscut to determine the extent of the ore lens exposed on the main level. They gave no exact footages other than the 100 feet in the shaft.

Their cost breakdown is as follows:

		omit
Equipment to be purchased	$ 350.00	350
Equipment to be furnished by operator	750.00	
Labor	12,750.00	
Road use	1,250.00	
Improvements	195.00	195
Engineering and assaying	350.00	545
Accounting	1,000.00	750
Supplies	5,423.75	
Total cost of project	$22,068.75	1295

Project to be completed in 5 months

Their cost breakdown appears to be fairly realistic but they have not clearly stated the exact extent of the work which they wish to do.

The examining team proposes that if an exploration project contract is entered into that the short form type of contract be used and that all costs be placed on a unit basis. In a letter from the applicant dated May 5, 1952, he states that he estimates his costs at $86 per foot for shaft sinking and $30 per foot for drifting if no timber is required--$35 per foot with timber.

It is recommended that an exploration contract be entered into for the following exploration:

Time Schedule	1. Sink a $1\frac{1}{2}$ compartment shaft 100 feet.
8 months	2. Drift or crosscut depending on structure a total of 350 feet.
Operating Time	3. Drift 100 feet on main level on structure.

Estimated Costs

1.	Sink 100 feet at $86/foot	$ 8,600.00
2.	Drift 350 feet at $30/foot on 100 level ($35 if timbered)	10,500.00
3.	Drift 100 feet on main level at $25/foot	2,500.00
4.	Improvements	195.00
5.	Cut station on 100 level	500.00
	Total cost of project	$22,295.00

Rehabilitation and repairs

None

Improvements

Completion and improvement of miners living quarters - one job - $195.00

Additional facilities

None

Technical Feasibility

Geology

The Rainy claim of Western States Copper Corporation is on the north bank of Quartz Creek, nearly 18 miles northeast of North Bend, Washington. The workings consist of a 50-foot adit driven in a northerly direction, and, branching from this tunnel 15 feet inward from the portal, another tunnel has been driven 48 feet in a northeasterly direction. Near the beginning of this northeast tunnel, a vertical winze is being sunk, above which a raise has holed through to the surface, 35 feet above the sill. Another 40-foot deep winze with 30 feet of drifting from its bottom was not accessible at the time of the examination.

The workings explore a breccia zone in gray, even-grained granodiorite. These rocks are part of the intrusive designated by Smith and Calkins 1/ as the Snoqualmie Granodiorite of Miocene or post-Miocene age. The breccia consists of coarse angular blocks of the granodiorite, ranging in diameter from 2 inches to more than 2 feet, cemented by milky to white-colored, coarse-grained crystalline quartz. Subsequent to the cementation by the quartz has been a period of sulphide mineralization, the sulphides for the most part being confined to the central part of the quartz between the breccia blocks, although pyrite is sporadically disseminated throughout some of the chunks of granodiorite.

The only exposures other than those in the mine workings are in ravines to either side of the portal where running water has removed the overburden. An inspection of the presently available exposures of the breccia zone indicates that the zone persists along the creek bank in a general east-west direction, but sufficient evidence is not available to prove this assumption.

The main ore zone exposed in the workings occurs between the portal and the new winze. This is a very quartzose zone, containing very little granodiorite, in which are copiously disseminated and intimately mixed pyrite and chalcopyrite. Accessory mineral includes rosettes of needles of brownish-black tourmaline, scattered specks of molybdenite, and very small and sporadically concentrated black crystals possessing radioactive properties. The Bureau of Mines Laboratory at Albany, Oregon, has tentatively identified these crystals as belonging to the euxinite-polycrase series. An analysis of selected samples of the rock in which these minerals occur showed 0.015 eU and 0.004 percent U.

The winze had been sunk at the time of the examination to 16 feet. The strong sulphide zones persist this deep in the winze, the best values being on the south and east walls.

1/ Smith, G.O., and Calkins, F.C., Snoqualmie Folio, U.S.Geol. Sur., No. 139, 1906, p. 9.

Brecciated granodiorite is exposed throughout most of the northerly-trending tunnel but only very low grade mineralized rock is in evidence. The north-easterly trending tunnel intersects a rather wide area of unbrecciated country rock beyond which a low-grade mineralized breccia zone containing scattered pyrite, chalcopyrite, and molybdenite is exposed.

Samples were taken where the mineralized zone is exposed on the east wall of the northeast tunnel and a channel sample was cut on all walls of the winze at a depth of 9 feet below the sill. The location and assay results of these samples are shown on the accompanying map. A spectrographic analysis was made of a grab sample from muck in the bottom of the winze.

From presently available information, it is indicated that quite probably the ore occurs in lenticular lenses or pods in the breccia zone. Although these pods have been strongly mineralized, evidence seems to indicate that any one pod will constitute only a very modest volume, although information gained from further exploration may refute this assumption. Sufficient detail has not been obtained to give positive evidence as to possible structural control of the lenses, but apparently some of the more prominent joints were in part a control on the mineralization.

For the type of operation which the applicant indicates he is to pursue, diamond-drilling cannot be considered a feasible method for exploring the breccia zone. If, as assumed, the ore occurs in lenses and pods, the diamond drill holes, unless very closely spaced, could quite possibly penetrate between two ore lenses or penetrate the center of only a small lense, leading to incorrect assumptions as to possibilities of ore. Only a large scale operation which could utilize or mine low-grade ore bodies economically could feasibly use diamond drilling as a tool to explore this mineralized breccia zone.

Because of the type of ore body assumed to exist, the most feasible method of exploring its extensions at the present time is to drift and sink, following the ore. As a consequence of this, it is difficult to definitely delineate an exploration program in more than general detail. Certainly drifting on the main level should be done to explore the northeast or eastward extension of the exposed ore zone. Sinking of the winze should be continued at least 100 feet or until it passes completely out of the ore. Upon successful completion of the sinking, drifting should be done to explore for ore at the lower level. Information gained from drifting on the main level will indicate the best direction in which to begin drifting.

Assay results of the sampling indicate that the grade of ore to be expected in the better grade lenses will be of the order of

6 percent copper, 2 ounces to the ton of silver, and 0.05 ounces per ton of gold. If sufficient ore is blocked out, there is the possibility that a measurable amount of recoverable radioactive minerals will also be indicated.

Mine Workings

Mine workings consist of 140 feet of drifts and crosscuts, 50 feet of shafts and 40 feet of winze.

Reserves

There are no measurable ore reserves other than about 600 tons lying on the dump. The applicant believes that these will run about the same as the shipment which was made in 1951.

Mining Methods

There has been no specific mining method to date and none can be proposed at this time inasmuch as the shape and size of the ore body is unknown.

Milling Method

The applicant is in the process of constructing a 50 ton per day flotation concentrator. This concentrator is located near the portal of the main adit. Power is to be furnished by diesel power units.

Rate of Production

The applicant hopes to be able to produce at about 50 tons per day of $3\frac{1}{2}$ percent copper ore. It is estimated by the applicant that he will be in production by August 1, 1952.

Marketing Facilities

Copper concentrates are to be shipped to American Smelting and Refining Company at Tacoma, Washington about 70 miles distant.

Equipment and Facilities

Facilities consist of:

Aerial tram, single cable, 500 foot in length
Mill building 20 x 75 feet
Shop building 10 x 12 feet

Equipment consists of:

Air compressor, 360 cfm, Sullivan, driven by gas engine
Truck, 3/4 ton, 4 x 4, Dodge
Light Plant 1.5 Kw, gas engine driven
Haul back hoist for tram, gas engine driven
Drifter
Stoper
Pump, air driven, sump
Necessary small tools to carry on small operation
Component parts for erection of 50 ton per day flotation concentrator

Labor Supply

Labor supply in the area is on a competitive basis with the logging industry. However, it is anticipated that ample labor can be obtained from Seattle.

Power

All power will have to be furnished by gasoline or diesel power units.

Transportation

The nearest rail facilities are at North Bend, 18 miles by road from the property. North Bend is 28 miles from Seattle.

No new access road construction is required, although the operator has an access road problem. There is a private logging road owned by the St. Regis Lumber Company, which follows up the middle fork of the Snoqualmie River. There is also a public road which is about a mile longer; this road is in poor repair and it also has a bridge with a 6-ton load limit. The applicant has made an agreement with the St. Regis Lumber Company where he pays them $250 per month for the use of their road. He feels that this amount will be saved in wear and tear on equipment passing over it.

Competence of Applicant

The applicant is capable of carrying out the proposed exploration work through his superintendent, Mr. Knudson. Some of the exploration work carried out by the applicant to date has not been too well directed. Mr. Sisenvine is not an experienced mining operator, although he is a successful businessman in other branches of business.

Although the property cannot be considered too optimistically as a potential copper producer, it does merit some exploration. The area in which the property is located is nearly virgin in regards to the occurrence of copper in minable amounts, and even though exploration at this property might not be a resounding success, information obtained may aid in subsequent discovery and development of other copper-producing properties in the region. There are already exposed in the mine workings significant showings of 6 percent copper, and although at the present time indications are that the ore occurs in modest-sized pods, further work to explore for extensions of these showings may prove a much larger minable deposit exists. Associated with the copper ore are radioactive minerals, although at the present time in very sparse amounts, which may increase in grade with depth to where they may be in sufficient quantities to constitute a recoverable accessory ore to the main commodity. Therefore, from a geological standpoint, there are many factors to support the recommendation that further exploration be done to see if a minable copper ore deposit does exist.

As the applicant has proceeded with the construction of a 50-ton per day capacity flotation concentrator, he is not in favor of a diamond drilling program, but rather is concerned with putting his mill into production at the earliest possible date. Drilling would not necessarily give too conclusive results in such a deposit if the ore does occur in separate pods and lenses.

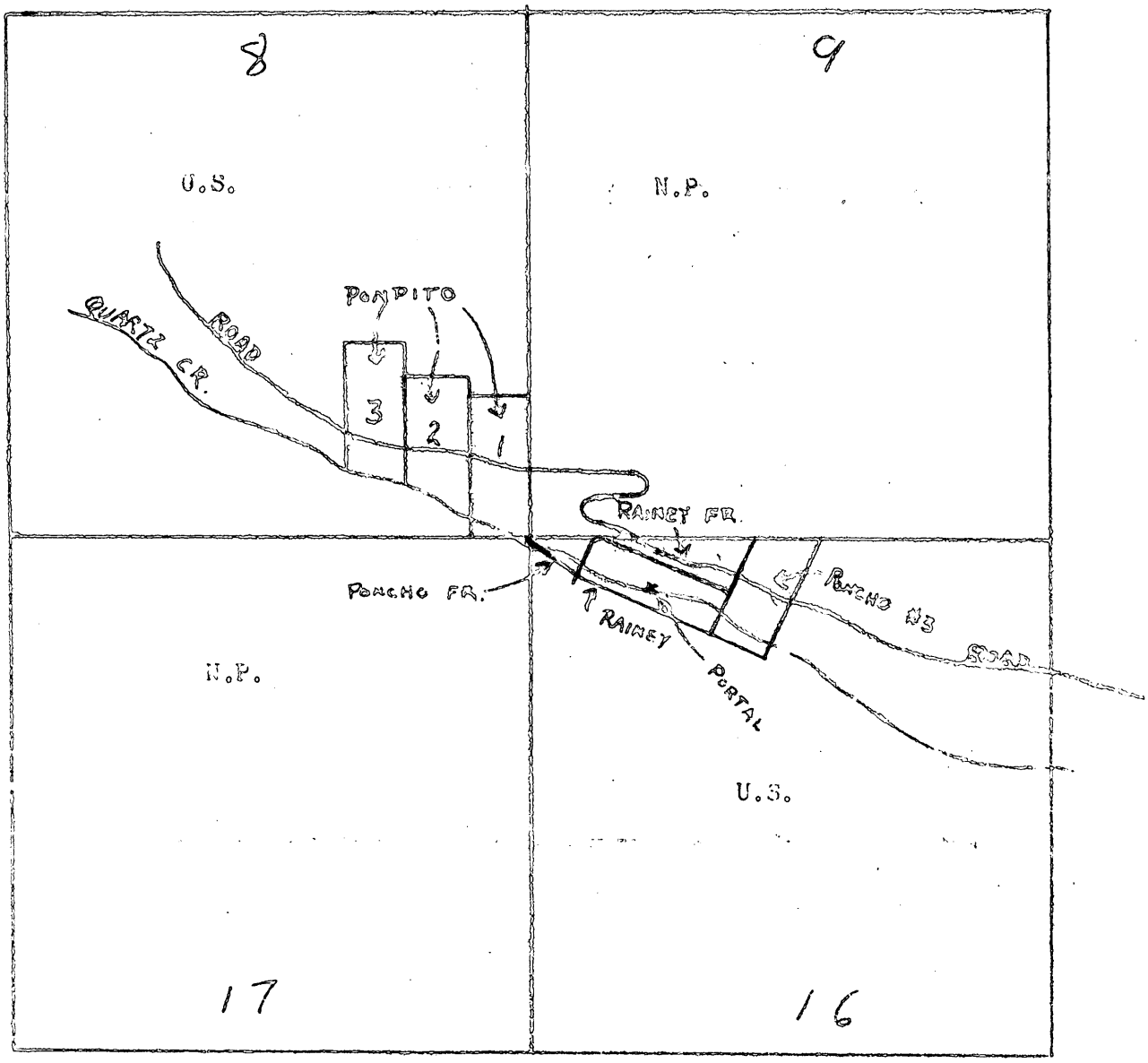
The applicant's funds with which to carry out an exploration program are somewhat limited, so he is interested in keeping his exploration workings in ore as much as possible, which, while actually exploring the zone will also be obtaining for him some economic return from the work. Ore of minable grade is now exposed in the mine workings in which exploration is to be initiated and the proposed work will determine the extent of these mineralized showings.

Because the applicant is to carry on mining concurrent with exploration, it will involve some difficulties in his keeping his records in order as to just what share of his expenditures should be allocated to each operation. Therefore, if an exploration is entered into with the applicant, it is recommended that the short-form contract be utilized to minimize these problems in making the monthly reports on the project.

cc: USBM - Albany
USBM - Spokane
USGS - (SRO)

WESTERN STATES COPPPER CORP.
RAINEY AND ADJACENT CLAIMS.
DMEA #2341

APPROXIMATE SCALE: 3/4" equals 1320 ft.



TOWNSHIP 24 N., RANGE 10 E.

FILE COPY
SURNAME:

Schmidt
Ellis
Johnson

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

FEB 28 1952

Mr. [illegible] Weissenborn
Executive Officer, Region II
DMA Field Team
South 157 Howard Street
Spokane 8, Washington

Re: Docket [illegible]-2341 (Copper)
Western States Copper Co.
5905 Chinook Avenue
Seattle 3, Washington

Dear Mr. Weissenborn:

The captioned application is being referred to you for a field examination. This is a re-examination of a previous application of March 1951, DMA-942. It will be noted that in answer to question 11 in form [illegible]-103 that it is claimed additional work has exposed good ore in the present workings, which would justify this re-examination.

In this request for a field examination, emphasis is laid on a memorandum by Mr. Nelson, dated January 28, 1952, the copper commodity member for the U.S.G.S. which is quoted for your consideration as follows:

> "This writer, from reliable information, believes the prospect should be re-examined, and close attention should be given to the extensive zone within which the "pods" of near shipping grade ore are found. One engineer who has been on the property says the wide rhyolite dyke (his designation) is mineralized and perhaps to such a degree as to make ore. He ventures to suggest that fairly closely spaced drill holes are warranted to test the interval between the creek (tunnel) showing, and a showing of similar material a quarter of a mile instant. If there are other showings of like nature in the immediate neighborhood the examination might well be extended to include them."

The Nelson memorandum lays stress on the possibilities of the larger areas of mineralization, implying greater potentialities to the district than the project of the applicant, who is properly interested in keeping his faces in ore. The evaluation by the field team of the relative merits of these two different lines of approach could have a bearing on the type of exploration work proposed.

It will be noted that the application calls for the expenditure of $22,068.75 without specifying the amount of work estimated to be accomplished.

If the Field Team recommends a modified program, approved by the applicant, maps or sketches showing the proposed work in relation to mining claim lines, with detailed costs or recommended work as outlined in Form MF-103 should accompany the report. The cost and description of any equipment to be purchased or rented and fair market value and description of any equipment to be supplied by the operator should also accompany the report. If upon examination, the project appears promising, we will also require from the applicant one original and six copies of Form MF-202.

In the event that no change is made in the plans of the Applicant, it will be noted that the data supplied by the Applicant as to proposed work and costs, is not sufficiently definite or detailed for the requirements of a contract.

We are pleased to note that you have retained a copy of the Application DMSA-2341 submitted by the applicant.

Upon receipt of the report from the Field Team we will proceed with the processing of this application.

Sincerely yours, E. L. 2/28/52

(signed) FRANK E. JOHNSON (JB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

W. H. Hodge (JB)
Member, Bureau of Mines

L P Thayer (JB)
Member, Geological Survey

FSchmidt/jem 2/14/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, CH Rm. 3621
Nelson, Ned Rm. 4216 GS
Ellis
Schmidt
Field Team, Region II

700 FILE COPY
SURNAME:

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

Schmidt
Ellis
Johnson
Nelson
Thayer
Johnson

AIR MAIL

FEB 28 1952

Western States Copper Corp.
5905 Phinney Avenue
Seattle 3, Washington

Re: Docket DMA-2341 (Copper)
Rainey Claim, Hardrock Mine

Gentlemen:

Your application for assistance in exploring your property in King County, Washington, under the above captioned docket number, has been reviewed by the Base and Miscellaneous Metals Division of the Defense Mineral Exploration Administration and has been referred to Mr. A. . Eisenborn, Executive Officer, Field Team, Region II, South 157 Howard Street, Spokane 8, Washington for a field examination.

The Regional Office will contact you at the earliest opportunity in regard to your project.

Sincerely yours, E. L. 2/28/52

C. O. Mittendorf (fw)

Acting Administrator
Defense Mineral Exploration
Administration

FSCHMIDT/jem
2/14/52
cc to: Adm. Reading File
Docket
Messrs. Johnson, C.H. Rm. 3621
Nelson, Ned Rm. 4216 GS
Ellis
Schmidt
Field Team, Region II (2)

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

February 8, 1952

Memorandum

To: E. W. Ellis, DMEA

From: C. H. Johnson, Bureau of Mines

Subject: DMEA 2341 - Western States Copper Corporation, Rainy Claim, King County, Washington

Mr. L. L. Farnham reviewed the subject application at my request and we discussed it subsequently. He is of the opinion that a field team referral and examination are necessary because the applicant claims to have done some work and uncovered significant information improving the prospects of the property since the field team examination was made last summer in response to a loan application. Mr. Farnham's memorandum to me reads as follows: (DMA-942)

"In March 1951, Charles Sisenvine, owner of the Northwestern Realty Company of Seattle, Washington, filed an application for a Government loan covering the Rainy mining claim. This was docketed as DMA-942 and a field examination of the property was made in June, 1951.

"The field team recommended denial of the loan based upon: "The low copper content of the mineralized area as a whole, the limited lateral extensions of the sulphide zone and the high temperature mineralization indicating the chalcopyrite mineralization may weaken with further depth."

"The field team further conclude: "It is recognized that additional pods of ore may be present along the Sreccia zone or at depth, although the odds are probably against locating a commercial orebody. If, in continuing a limited exploratory program to outline the orebody, the applicant discloses geological information indicating a favorable continuation of ore, a diamond drilling program should be set up. If Government loans are still available he should apply and request a second field examination."

"On December 13, 1951 the applicant was officially notified of the denial of his loan application (DMA-942). The concluding paragraph of the letter of denial was as follows:

"However, if further exploration on your part should disclose geological information indicating a favorable continuation of ore, a diamond drilling program should be set up. If Government loans are

still available at that time you should apply for another Government field examination."

"Evidently believing that the exploratory work performed upon the property, subsequent to the field investigation has disclosed more favorable conditions, the Western States Copper Corporation, of which the original applicant is now president, has recently submitted another application for exploration assistance on the "Rainy" claims.

"Although this last application fails to show the amount or nature of the more favorable conditions disclosed by the late work, it appears that before further action can be taken another field examination would be necessary."

C. H. Johnson

C. H. Johnson

Copy to: Mr. Nelson - GS
Minerals Division
C. H. Johnson
Files

IN REPLY REFER TO:

1/30/52 gla

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

January 28, 1952

Memorandum

To: Mr. E. Wm. Ellis

From: Mr. N. E. Nelson

Subject: DMEA-2341, Western States Copper Corporation, Rainy Mine, King County, Washington. (In 1951 Northwestern Realty Company, DMA-942).

Summary

A re-examination of this prospect, when conditions permit, is warranted.

Comment

Final comment on this application cannot well be made pending an up-to-date report by the field team. That such a report will be forthcoming, judging from Mr. Kiilsgaard's letter of January 18, 1952, depends upon the values ascribed to Mr. Youngberg's report and recommendations of June 19, 1951, and the claims of Mr. Sisenvine in the new application, DMEA-2341.

The original application, DMA-942, was denied, but, as usual, the way for a new application based upon new evidence of significant metallization was left open. Apparently work was done in 1951 and according to Mr. Sisenvine the showing was improved.

This writer, from reliable information, believes the prospect should be re-examined, and close attention should be given to the extensive zone within which the "pods" of near shipping grade ore are found. One engineer who has been on the property says the wide rhyolite dyke (his designation) is mineralized and perhaps to such a degree as to make ore. He ventures to suggest that fairly closely spaced drill holes are warranted to test the interval between the creek (tunnel) showing and a showing of similar material a quarter of a mile distant. As there are other showings of like nature in the immediate neighborhood the examination might well be extended to include them.

N. E. Nelson

Ned E. Nelson
Geologist

EXPLORATION

Subject: DMEA-2341
Re: Exploration Loan
Rainey Claim, Hardrock Mine
January 23, 1952

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

My dear Mr. Sisenvine:

This will acknowledge receipt of your application dated December 28, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2341 and referred to the Rare & Miscellaneous Metals Division.

Kindly refer to DMEA-2341 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

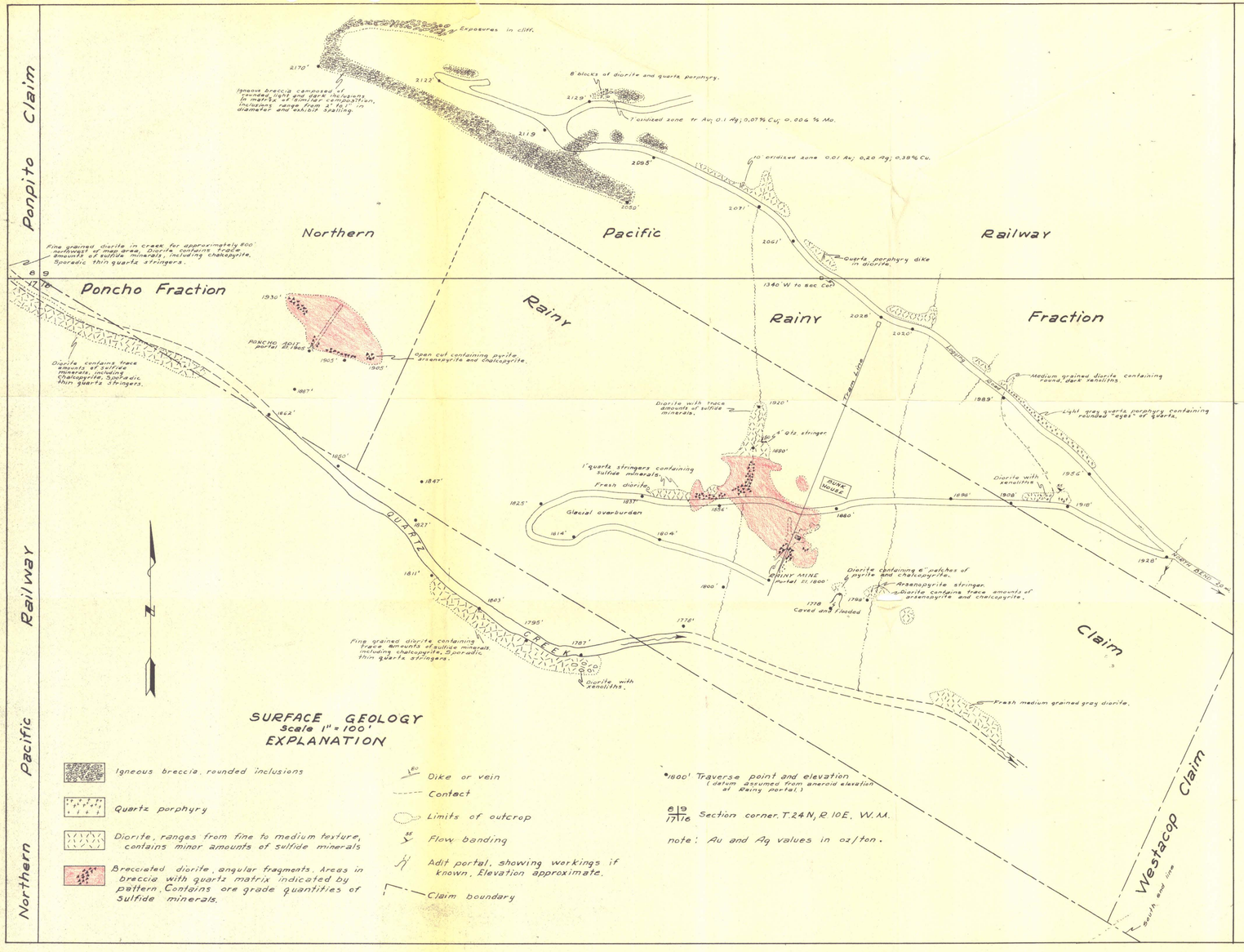
Robert E. Adams
Acting Administrative Officer

7862

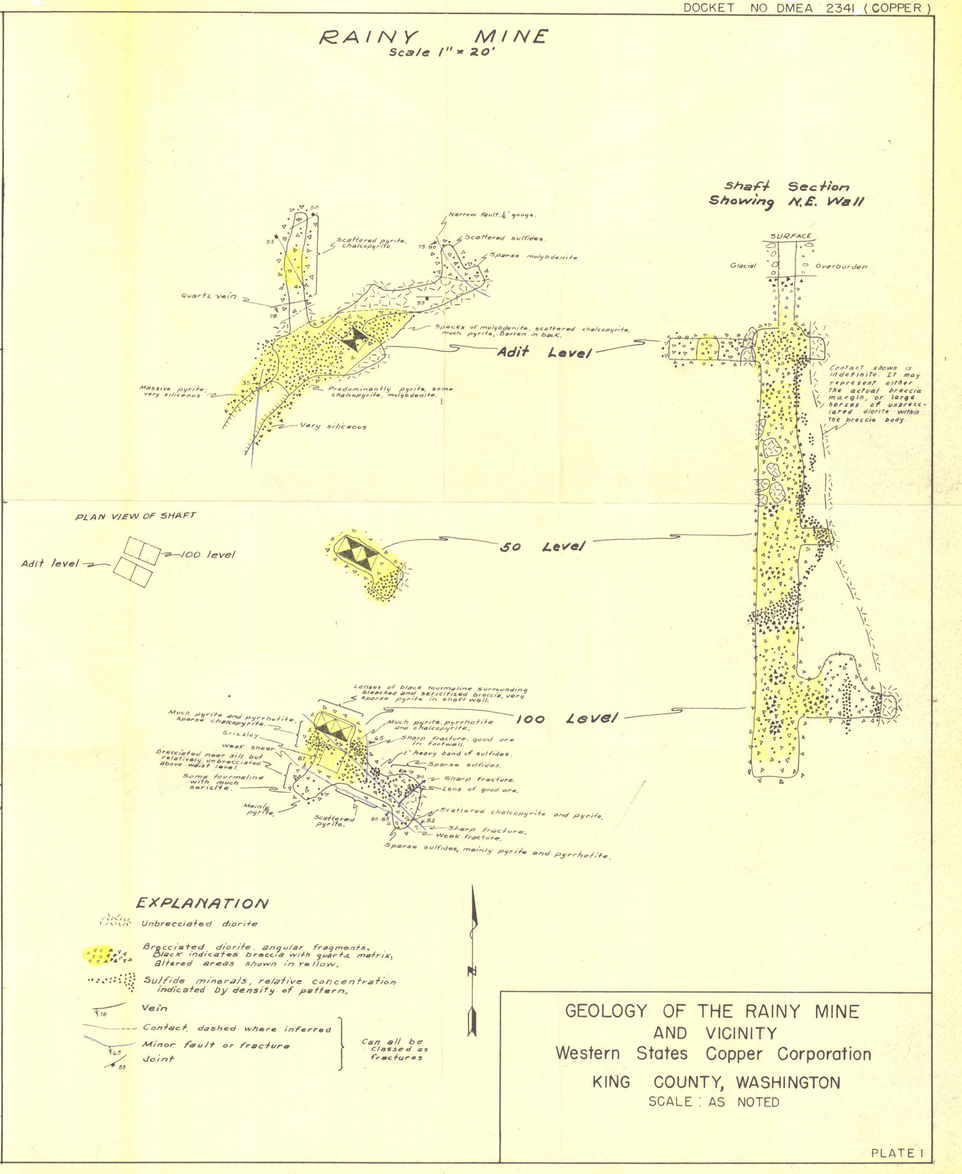
UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
FINAL REPORT

DOCKET NO DMEA 2341 (COPPER)



SURFACE GEOLOGY
Scale 1" = 100'
EXPLANATION



EXPLANATION

Unbrecciated diorite

Brecciated diorite, angular fragments. Black indicates breccia with quartz matrix; altered areas shown in yellow.

Sulfide minerals, relative concentration indicated by density of pattern.

Vein

Contact, dashed where inferred

Minor fault or fracture

Joint

Can all be classed as fractures

GEOLOGY OF THE RAINY MINE
AND VICINITY
Western States Copper Corporation
KING COUNTY, WASHINGTON
SCALE: AS NOTED

PLATE I