DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 2894

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To:	Oper Com	Date	2-20-53
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To:	Code 400	Date	7-27-53
To:	Oper Com	Date	9-23-53
To:	Code 400	Date	9-24-53
To:	Oper Com	Date	10-30-53
To:	Code 400	Date	11/3/53
To:		Date	
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CONTROLLED DOCUMENT

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Division Copy

12-2575

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 27th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] E. A. Prior
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows:[3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Deadmona, Volume 4, page 80, Book of Mining Locations; Sulitelma #2 and Sulitelma #5, Volume 5, pages 73 and 74 respectively, Book of Quartz Records

the Operator represents and undertakes:[4]

[redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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 [illegible] or the production from which is not to be subject to the Government's percentage royalty.
[4] [illegible] out the provision not applicable.
[5] [illegible] mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,175.00, which is 75 percent of $6,900.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: **See Annex I, substituted for that part of 9(a) preceding the colon.**

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* **To the extent that costs are set forth in Exhibit "A" as "Agreed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By ______________________
Administrator, Defense Minerals Exploration Administration

____
E. A. FRICK (Operator)

By ______________________

I, ______________, certify that I am the ______________ secretary of the corporation named as Operator herein; that ______________, who signed this contract on behalf of the Operator, was then ______________ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894
ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

Actual Costs
(*Indicates allowable maximum)

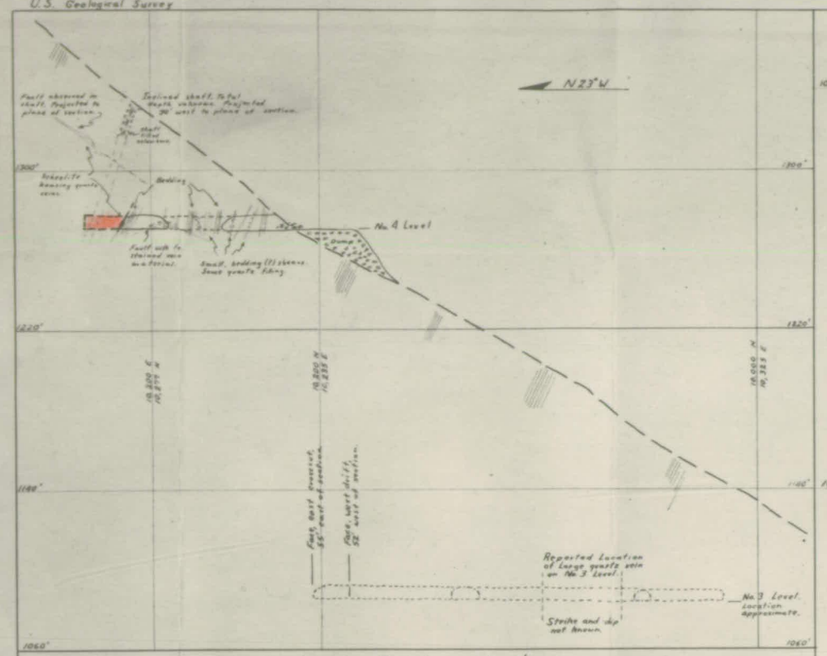
New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

S U M M A R Y

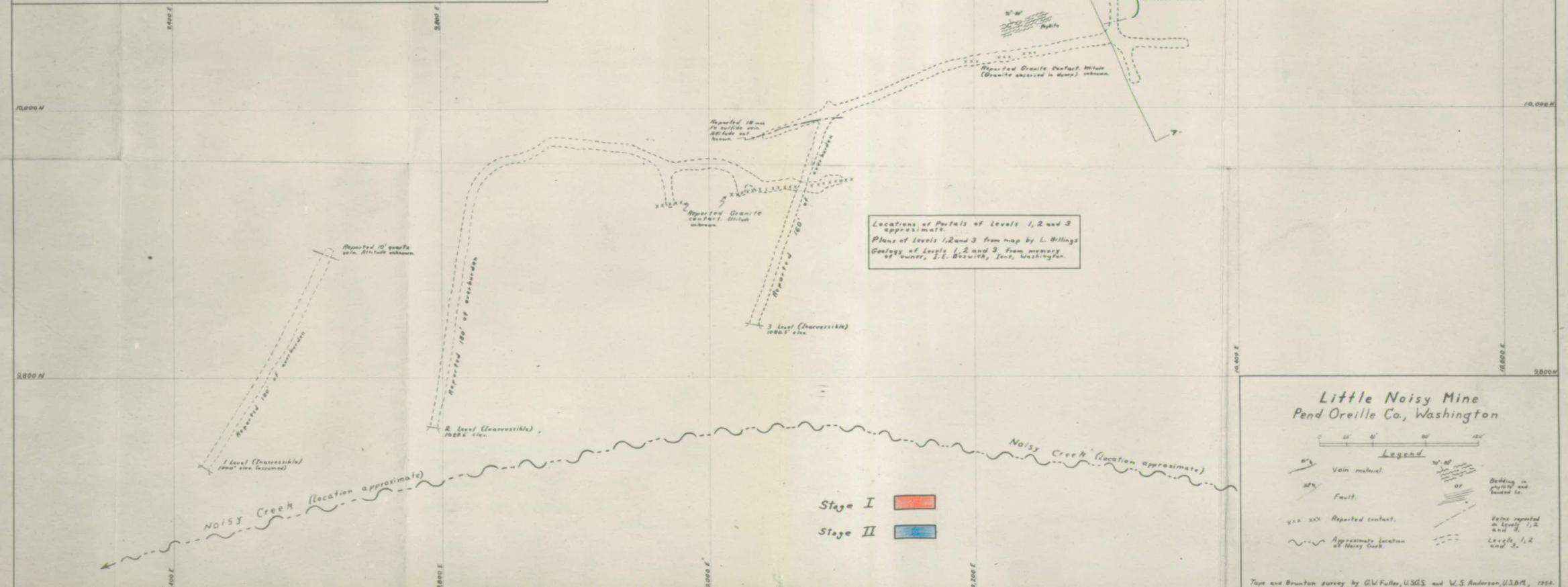
Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

U.S. Geological Survey

Docket No. DMEA 2894 (Tungsten)



Geologic Section A-A'
Looking N 67° E



MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille, described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #3 recorded in Volume 5, page 74, Book of Quartz Records; and Sulitelma #2, Volume 5, page 73, Book of Quartz Records. All near center of Sec. 17, T. 38 N., R. 43 E., W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ E. A. Frick

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 29 day of July, 1953.

L E Bosewick [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

R. E. Adams, Chief, Operations Control and Statistics Division, DMEA

November 27, 1953

Iron and Ferro-Alloys Division, DMEA

Removal of application from the active files
Docket No. DMEA 289h - Tungsten
E. A. Frink
Little Noisy mine
Pend Oreille County, Washington

A proposed contract was submitted to Mr. Frink through the Executive Officer, DMEA Region II, by letter of July 27, 1953. The proposed contract, in three stages, covered only the exploration outlined by the Field Team in Stage I of their three stage recommended program. Cost of the revised program covered by the proposed contract was $6,900.00 against $33,860.00 estimated by the Field Team for the complete program.

The Applicant by letter of September 11, 1953, returned the proposed contract unsigned as the revised program did not meet with his approval.

As this Division and the Commodity Divisions of the Geological Survey and Bureau of Mines agreed that the additional exploration requested is unwarranted by the indications to date, the Executive Officer of Region II was advised by letter of November 2, 1953, we would hold the proposed contract in abeyance until November 25, 1953. If by that date the Applicant had not indicated his interest in signing, the docket would be transferred to the inactive files and the matter closed.

The docket is transmitted hereewith.

/S/

W. S. Martin, Chief
Iron and Ferro-Alloys Division

FARutledge:foc
11-28-53
cc: Docket
Code 400
Admr. Reading File

NOV 2 1953

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington
Contract No. Idg-K575

Dear Mr. Weissenborn:

This will acknowledge your letter of October 16, 1953, giving us the Field Team's reasons for preferring the larger exploration program originally recommended instead of the project covered by the subject contract.

We believe the Field Team will agree with us that there are several classes into which the applications that come to DMEA may be divided on the basis of the evidence at hand. In certain of the more favorable prospects, the data are such that an exploration contract may be written without staging the contract work. In other cases, the information available at first is not sufficiently strong to warrant the entire proposed program and therefore the exploration work is staged. Favorable evidence at other prospects may be entirely lacking and these applications for exploration assistance are denied.

In a few of the proposed projects, the data appear to warrant only a portion of the proposed program. This was the consensus of opinion in the case of the Little Noisy mine. It must be understood, however, that in all of the above cases the evidence secured as a result of the exploration program or additional prospecting by the applicant may warrant further exploration. Each application must be considered separately on the data available.

It will be appreciated if you will clarify your following statement concerning the position of the Operator if the project we outlined was successful: "He might well have found himself with his funds exhausted and his property looking better but still very inconclusively explored." In such a case he should have expended no more

funds then under Stage I of the Field Team's proposed contract and it is difficult to understand how, if the applicant's available funds are so small, he expected to participate in the larger program.

We will hold in abeyance until November 25, 1953, the proposed contract as written. If by that date the applicant does not indicate his interest in signing, the docket will be transferred to the inactive files and the matter closed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

FARutledge:foc
10-23-53
cc: Docket
Code 400
Admr. Reading File
Operating Comm.
FT. REG. 2
R. W. Geehan, USBM
T. P. Thayer, USGS

400

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

October 16, 1953

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

Re: Docket No. DMEA-2894 (Tungsten)
Little Noisey Mine
Pend Oreille County, Washington

Dear Mr. Selfridge:

Reference is made to your letter of September 23, 1953, in which acknowledgment is made of receipt of the unsigned copies of the referenced contract, and in which comments are made regarding our recommendations in returning the contract.

You are correct in your assumption that the American Zinc, Lead & Smelting Company is not interested in the property. The applicant, Mr. S. A. Frick, is employed by American Zinc and used stationery of that company in returning the contract. He signed, however, as an individual and not as an officer or agent of American Zinc.

In the initial Field Team examination of the Little Noisey property, it was recognized that the property was unlikely to become a major tungsten producer, but it was believed that it had enough promise to justify exploration. We therefore proposed a three-stage program, which we believed would determine whether the mine could be made productive. In proposing Stage 1 we realized the work would be comparatively close to the surface; however, we hoped to gain enough information at relatively low cost on the horizontal extent--and to some degree on the vertical extent--of the scheelite-bearing quartz bodies to determine whether the succeeding stages would be warranted. We believed such work could be done for $6,270.00.

The contract, as presented to the Operator, was also set up in three stages but allowed only $6,900.00 for the entire project, the total of all three stages being more or less equivalent to our Stage 1. This contract did not appeal to the Operator because he had no assurance that the Field Team might not terminate the contract at the end of Stage 1 after only a minuscule amount of work had been done and before the property had what would

logically be considered a fair test. If the project had been carried to completion and had indicated that the quartz scheelite bodies were sufficiently persistent and of sufficient grade to be of interest, the Operator would still be in an unsatisfactory position--the shallow location of the exploration precludes the possibility of delineating enough tonnage to do him much good, and he has no assurance that he could expect more assistance from the DMEA. He might well have found himself with his funds exhausted and his property looking better but still very inconclusively explored. We did not attempt to influence his decision but we could understand why he refused to accept the contract.

In our letter of September 17 we state "It would be ill-advised to embark on a program so limited that there would be little, if any, opportunity to uncover enough information to be of any value to the applicant or the Government" and you have cited this as conclusive evidence that by our own words we have confirmed the dubiousness of the project. This we think is a little unfair for although we might have been more adroit in our choice of words, if our letter of September 17 is read carefully our meaning seems clear enough. Obviously a single shallow pit dug on the vein might yield information of some value, yet in itself would hardly justify a DMEA contract. What we clearly meant was that a program so limited could uncover only inconclusive information and would therefore be of little value to either the Operator or to the Government. There is, in our opinion, a significant difference between a program which provides $6,900.00 to determine whether the property looks good enough to justify more work or should be abandoned and a program which allots $6,900.00 for a complete exploration job. It could be argued, of course, that if the results look good the Operator can come back and get his contract extended. This has been done, of course, but it is time wasting, and we cannot guarantee to the Operator that the contract can be extended no matter how good his results may be. It was for these reasons that the Field Team recommended the allotment of sufficient funds to permit an adequate test of the property. At the same time provision was made to place the work on a stage basis so that the contract could be readily terminated should the early results indicate that further work would be futile.

The Field Team recognizes that the Little Noisey property is unlikely to become a major producer but believes that it warrants exploration. It does not object greatly if the Operating Committee does not agree and turn down the proposal, but it considers that trimming down of the contract to the point where the results are almost certain to be inconclusive is most unwise. We feel that if the DMEA is not prepared to carry an exploration program through to its logical conclusion and a definite result, it would be better advised not to enter into the program at all.

By DMEA Field Team, Region II

M. E. Volin, Member
(U. S. Bureau of Mines)

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

SEP 23 1953

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington
Contract No. Idm-E575

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of September 17, 1953, returning the subject contract unsigned and enclosing copy of letter of September 11, 1953, from Mr. E. A. Frick, giving his reasons for being unwilling to accept the contract. Mr. Frick's letter is written on the letterhead of the American Zinc, Lead & Smelting Company, Metaline Falls, Washington, but it is our understanding that the above-named company is not concerned in the matter although it does employ Mr. Frick.

You state that the applicant objects to the contract on the grounds that expenditure of the sum allotted under the contract will not permit sufficient work to be done to be of any value, and you add that the Field Team is in accord with this opinion and believes that it would be ill-advised to embark upon a program so limited that there would be little, if any, opportunity to uncover sufficient information to be of any value to the applicant or the Government. In this instance Messrs. T. H. Killegeard and T. E. Howard signed for the Field Team.

The program set-up in the contract, although subdivided therein as three stages, is otherwise practically identical with Stage I of the contract recommended by the Field Team under date of June 2, 1953. At that time Messrs. H. Kirkemo and E. Erickson stated that the work of their Stages II and III would be contingent on results of work in the preceding stage.

In other words, on June 2 the Field Team expected by spending slightly less than $6,900 to develop sufficient information to either justify or preclude spending at least $11,940 more, and possibly $26,160 more, whereas the Field Team now advises us strongly that the work done for the first $6,900 would not be of any value.

Your recommendation, "that either the contract be considered as cancelled and placed in the inactive file, or else redrawn to provide for a more substantial program in which the applicant might take an interest," may be appropriate under the circumstances, but assists us only by emphasizing the dubious merit of the project.

We realize that the owner of the lands of the project has agreed to convey to the applicant an undivided half interest in the property on condition that the applicant expend at least $10,000 for labor and supplies in prospecting and development work thereon before April 3, 1954. We appreciate that the proposed DMEA program falls short of the amount named in their agreement. Nevertheless, such considerations should not be given any great weight in judging projects of this sort.

Enclosed for your files is a copy of a memorandum prepared July 15, 1953, by R. W. Geehan, U. S. Bureau of Mines, regarding this project. We have previously sent you a copy of the related memorandum of June 16, 1953, by D. M. Lemmon, U. S. Geological Survey.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure

APPROVED:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

CC: DOCKET
FIELD TEAM, REG. 2
ADM. READ. FILE
CODE 400
OPER. COMMITTEE
R. W. GEEHAN, USBM
MARY MILLER, USGS

WSMartin/ls
9/23/53

402

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

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

September 17, 1953

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

Re: DMEA Docket No. 2894 (tungsten)
Little Noisy mine
Pend Oreille County, Washington
Contract Idm-E575

Dear Mr. Selfridge:

Returned herewith, unsigned, are the original and 5 copies of the subject contract, together with copies of the applicant's letter, in which he presents his reasons for refusing to sign the contract.

The Field Team's report of May 21, 1953 recommended a program whose costs totaled $33,860.00. It was believed that an expenditure of this amount of money would be necessary to fully test the tungsten potentialities of the property. This sum, however, was decreased in the Washington office to $6,900.00.

It will be noted that the applicant objects to the contract on the grounds that expenditure of the sum allotted in the contract will not permit sufficient work to be done to be of any value and is, therefore, not justifiable. The Field Team is in accord with this opinion. The contract should either allot enough money to give the property an adequate test, or else no contract should be granted. It would be ill-advised to embark upon a program so limited that there would be little, if any, opportunity to uncover enough information to be of any value to the applicant or the Government.

As the applicant refuses to accept the contract in its present form, it is recommended that either the contract be considered as cancelled and placed in the inactive file, or else redrawn to provide for a more substantial program in which the applicant might take an interest.

By Field Team, Region II

Thor H. Kiilsgaard, Acting Exec. Officer
(U. S. Geological Survey)

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

cc: USBM (2)
Puffett

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

AMERICAN ZINC, LEAD & SMELTING COMPANY
METALINE FALLS, WASHINGTON

September 11, 1953

M. E. Volin
Member, DMEA Field Team
Region II
Spokane, Washington

Subject: Contract Idm-E575
Docket No. DMEA 2894 (tungsten)
Little Noisy Mine
Pend Oreille County, Washington

Dear Sir:

I regret to inform you that the contract definitely does not meet with my approval. Therefore I am returning to you all copies of the exploration project contract unsigned.

I do not feel as though your plan justifies spending the sum of money you have proposed in your contract because it is about fifty feet under the surface, twenty-five feet of which is already exposed. Furthermore, any knowledge gained in this immediate area certainly would not be indicative of what one may find below, only to the extent that tungsten was present in the assending solutions.

In all probability it will not be the vein as we see it near the surface that will make the mine, if there is one. It will be at the intersection of the limestone bed exposed in No. 4 tunnel and the granite. The argellite beds on either side of the limestone will form a trough with the granite, thereby setting up what is apparently the ideal condition for tungsten deposition in this area, (our neighbors to the north, also in Inyo County, California, Humboldt County, Nevada).

Sincerely yours,

E. A. Frick

EAF/af

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

1201 N. Division St.
Spokane 2, Washington
September 1, 1953

400

WSM

Mr. E. A. Frick
Ione, Washington

Subject: Contract Idm-E575
Docket No. DMEA 2894 (tungsten)
Little Noisy Mine
Pend Oreille County, Washington

Dear Mr. Frick:

Under date of August 3, 1953, this office mailed you the original and five copies of the subject exploration project contract which had been signed by C. O. Mittendorf, DMEA Administrator.

To date we have heard nothing from you regarding this contract. If it does not meet with your approval, please return all copies with your comments. In the event you still wish to enter into this contract, please sign all copies, retain the one marked "Operator's Copy" and return the remaining copies to this office.

Sincerely yours,

M. E. Volin
Member, DMEA Field Team
Region II

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

cB

402

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
AUG 10 1953

1201 N. Division St.
Spokane 2, Washington
August 3, 1953

WSM

Mr. E. A. Frick
Ione, Washington

Subject: Docket No. DMEA 2894 (Tungsten
Little Noisy Mine
Pend Oreille County, Washington
Contract Idm-E575

Dear Mr. Frick:

Attached are the original and 5 copies of an exploration project contract signed by C. O. Mittendorf, Administrator, DMEA, together with Exhibit "A" (2 pages), Annex I (1 page), Annex II (1 page), Owner's Consent to Lien, and one map.

If the terms and conditions of this contract are satisfactory to you please sign all copies, retain the copy marked "Operator's Copy" for your files, and return all the remaining copies to this office.

At the time of signing the contracts please insert in the blank space provided in Article 3 of the contract form the number of days within which you will commence work.

If all or any part of the contract does not meet with your approval please return all copies with your comments.

Sincerely yours,

MEV

M. E. Volin, Member
DMEA Field Team
Region II

Enclosure

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

July 24, 1953

1. Mr. Chambers
2. Mr. Hofflund
3. Operating Committee
4. Mr. Mittendorf
5. Mails & Files - 4539

dmen
2894
Little
Noisy

Attention is called to the attached memorandum by Mr. Hofflund. This Division agrees in principal that the short form should be used where possible, but believes that the Government should be protected by using the long form where there is a chance for a return by salvage of part of the funds expended. A memorandum expressing the Division's views on the subject is being prepared.

Acting Chief, Iron and
Ferro-Alloys Division

JUL 2 7 1953

Air Mail

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above-referenced contract signed by the Administrator for the Government, together with Exhibit "A" (2 pages), Annex I (1 page), Annex II (1 page), and one map.

If the terms and conditions of this contract are satisfactory to you and the Operator, all six copies should be signed, subject to the attachment of the corrected Owner's Consent to Lien, and the usual distribution made.

If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Please note that the following major changes have been made in the contract as originally outlined:

1. Stages II and III of the proposed exploration program have been eliminated.

2. Stage I as proposed by the Field Team has in turn been divided into three stages.

3. A portion of the drifting specified was allowed to explore the vein exposed in face of the No. 4 level crosscut adit.

The above changes have decreased the amount of the proposed contract from $33,860.00 to $6,900.00, the amount proposed by the Field Team for their Stage I.

Under Article 3, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hodges

Member, Bureau of Mines

s/ D. M. Larrabee

Member, Geological Survey

FARutledge/ls
7/24/53

Copy to: DOCKET
FIELD TEAM, REG. II
CODE 400
ADM. READ. FILE
OPERATING COMMITTEE
D. M. LEMMON, USGS
R. W. GEEHAN, USBM

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

400

July 22, 1953

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: E. A. Frick - Docket No. DMEA-2894 - Tungsten

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consents to Lien which have been prepared and sent out for signature.

This contract is made up of agreed unit costs in the sum of $6,270.00 and actual costs in the sum of $630.00. This small element of actual costs necessitates placing the contract on the complicated, long form instead of the simple, short form. I think it is bad practice to put in a few items of actual cost which necessitate putting the contract on the long form. I think this would be a good subject for special instructions to the field from the Operating Committee.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

400

July 22, 1953

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: E. A. Frick - Docket No. DMEA-2894 - Tungsten

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This contract is made up of agreed unit costs in the sum of $6,270.00 and actual costs in the sum of $630.00. This small element of actual costs necessitates placing the contract on the complicated, long form instead of the simple, short form. I think it is bad practice to put in a few items of actual cost which necessitate putting the contract on the long form. I think this would be a good subject for special instructions to the field from the Operating Committee.

J. L. Hofflund
d
J. L. Hofflund
Chief Counsel

Attachments

AEKane/ema 7-22-53
cc: Mails & Files
W. S. Martin
A. E. Kane
J. L. Hofflund
Chron.

400

FILE COPY
SURNAME:

Martin
McKam
Rutley

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

JUL 21 1953

Mr. E. A. Frick

Ione, Washington

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Dear Mr. Frick:

Reference is made to the above-docket application for exploration assistance and the Owner's Consent to Lien submitted by your letter of June 19, 1953.

By error, the name of Mr. Boswick was entered under 2/ instead of your own as Operator. We have prepared a new set of Owner's Consent to Lien forms and would appreciate your having them executed by Mr. Boswick and forwarded to Mr. A. E. Weissenborn, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

Copy to: DOCKET
FIELD TEAM, REG. II
CODE 400
ADM. READ. FILE
D. M. LEMMON, USGS
R. W. GEEHAN, USBM

R.C.G.
7-21-53

400

Chief Counsel, DMEA

July 17, 1953

Iron and Ferro-Alloys Division, DMEA

Review and preparation of Exploration Project Contract
Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Transmitted herewith is the rough draft of a proposed exploration project contract for your use in preparing the contract in final form.

New Owner's Consent to Lien forms have been forwarded to the Operator for execution by the Owner and submission to Mr. A. E. Weissenborn for attachment to the proposed contract at the time of its execution.

Copies of the map referred to in the draft are being prepared and will be furnished to the Legal Division for attachment to the contract.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

Attachment

FARutledge/ls
cc: Docket
Code 400

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA 2694

EXHIBIT "A"

DESCRIPTION OF THE WORK

The exploration work on this project is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington."

All exploration workings are to be not less than 4 by 6½ feet in cross section and timbered where necessary.

STAGE I

Time Schedule: 0 - 2 months

1. Extend the No. 4 level crosscut adit to intersect the vein exposed in the shaft; crosscutting not to exceed 30 feet.
2. Drift from the No. 4 level crosscut adit along the vein now exposed in the face. The direction of this drifting is subject to the approval of the Field Team and its length is not to exceed 50 feet.

STAGE II

Time Schedule: 2 - 3 months

Stage II is to be undertaken only after the completion of Stage I, if warranted in the opinion of the Government by the results of Stage I.

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft. Direction of this drifting is subject to the approval of the Field Team. The total of the drifting under Stages I and II is not to exceed 100 feet.

STAGE III

Time Schedule: 3 - 4 months

Stage III is to be undertaken only after the completion of Stage II, if warranted in the opinion of the Government by the results of the prior exploration.

1. Raise from the No. 4 level at locations to be determined by the Operator, subject to the approval of the Field Team, not to total in excess of 60 feet.

ESTIMATED COSTS OF PROJECT

AGREED UNIT COSTS

Stage I		
Crosscut 30 feet @ $33.00 per foot	$ 990.00	
Drift 50 feet @ $33.00 per foot	1,650.00	
		$2,640.00
Stage II		
Drift 50 feet @ $33.00 per foot	1,650.00	1,650.00
Stage III		
Raise 60 feet @ $33.00 per foot	1,980.00	1,980.00

The Government will contribute to the costs of drifting, crosscutting, and raising on the basis of these agreed estimated costs in lieu of actual costs. The rest of the descri ed work will be contributed to by the Government on the basis of those actual costs specified in Article 6(a) of the contract form, which are scheduled below:

Actual Costs

(*Indicates allowable maximum)

(6) New Buildings, Improvements, and Installations	
Compressor House and Storage Shed	$500.00
(7) Miscellaneous	
Analytical determination	130.00
TOTAL ESTIMATED COST OF PROJECT	$6,900.00
GOVERNMENT PARTICIPATION @ 75 percent	5,175.00

Chief Counsel, DMEA

July 17, 1953

Iron and Ferro-Alloys Division, DMEA

Review and preparation of Exploration Project Contract
Docket No. DMEA 289½ - Tungsten
E. A. Frick
Little Noisy mine
Pond Oreille County, Washington

Transmitted herewith is the rough draft of a proposed exploration project contract for your use in preparing the contract in final form.

New Owner's Consent to Lien forms have been forwarded to the Operator for execution by the Owner and submission to Mr. A. E. Weissenborn for attachment to the proposed contract at the time of its execution.

Copies of the map referred to in the draft are being prepared and will be furnished to the Legal Division for attachment to the contract.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

Attachment

FARutledge/ls
cc: Docket
Code 400

400

JUL 21 1953

Mr. E. A. Frick

Ione, Washington

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Dear Mr. Frick:

Reference is made to the above-docket application for exploration assistance and the Owner's Consent to Lien s omitted by your letter of June 19, 1953.

By error, the name of Mr. Moswick was entered under 2/ instead of your own as operator. We have prepared a new set of Owner's Consent to Lien forms and would appreciate your having them executed by Mr. Moswick and forwarded to Mr. . . Weissenborn, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures

Copy to: DOCKET
FIELD TEAM, REG. II
CODE 400
ADM. READ. FILE
D. M. LEMMON, USGS
R. W. GEEHAN, USBM

400

JUN 22 1953

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy Mine
Pend Oreille County, Washington

Dear Mr. Weissenborn:

Reference is made to the subject docket. A memorandum by D. M. Lemmon, U. S. Geological Survey, has been prepared covering the Field Team report on the referenced property and is enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

FARutledge:foc 6-19-53
cc: Docket
Code 400
FT. Reg. II
Oper. Comm.
Admin. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS

Enclosure

IN REPLY REFER TO:

G-MD-DML

400

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

June 16, 1953

Memorandum

To: W. S. Martin, DMEA

From: D. M. Lemmon, USGS

Subject: Field report
Little Noisy mine
Sec. 17, T. 38 N., R. 44 E.
Pend Oreille County, Washington

DMEA-2894
Tungsten

The Little Noisy mine was examined April 2, 1953, by G. W. Fuller (Geological Survey) and W. S. Anderson (Bureau of Mines). Their report, dated May 21, recommends approval of a 3-stage contract costing $33,860. The work involves drifting, crosscutting, raising, diamond drilling and rehabilitation of old workings.

The known scheelite occurrences are exposed in No. 4 adit and in the upper part of a partially filled inclined shaft near the adit. The following 4 samples were taken:

Sample Identification	Location	Width	Percent WO_3
601	Adit 4	18 inches	0.72
602	Adit 4	12 inches	0.55
603	Shaft, 10 feet below collar	12 inches	0.75
604	Dump of Adit 4		0.02

The scheelite-bearing rock in the adit appears to be a pod about 10 feet long. An exposure of a vein 8 to 18 inches thick in the No. 1 adit (now caved) was examined in 1944 by J. R. Cooper of the Geological Survey, who reported a negligible content of scheelite.

In my opinion, the evidence presented suggests that the property has been sufficiently explored and no further work is warranted in search of roots to the known tungsten occurrence. The present exposures cannot be considered minable ore; the close spaced drilling proposed suggests to me that the applicant expects only very small bodies.

The cost of rehabilitation of No. 3 adit might be many times the estimate, as we have found in other rehabilitation jobs. It is

assumed that the workings behind the caved portal will require no rehabilitation. Possibly the Field Team has evidence to support this assumption, but such evidence is not presented.

Although I have long felt that the Metalline district might contain a replacement scheelite deposit similar to the important Emerald and Dodger ore bodies to the North in British Columbia, I doubt if the Little Noisy occurrence represents the fringe of such a deposit.

If DMEA wants to enter into an exploration contract, as recommended by the Field Team, despite the adverse nature of the present showings, I suggest that the proposed Stage 1 is sufficient and that the rehabilitation and core drilling be eliminated.

D. M. Lemmon

400

JUN 12 1953

Mr. E. A. Frick
Ione, Washington

Re: Docket No. DMEA 2394 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Dear Mr. Frick:

In processing your application for exploration assistance at the Little Noisy mine, we find that you have not submitted an Owner's Consent to Lien. Before we can proceed with the processing of the referenced application, this must be received.

It is inferred from your application that I. E. Bosvick is also the owner of the Sulitelma #2 and Sulitelma #5 claims, which are adjacent to the Deadmans claim and that a one-half interest in each will be conveyed to you under the terms of the agreement on the Deadmans claim. If this is true, the description of property on the Consent to Lien form should list all three claims with the book and page numbers for each recorded location notice.

We, therefore, will hold the subject application in abeyance until six copies of an executed Owner's Consent to Lien are received.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

FARutledge:foc
6-12-53
cc: Docket
Code 400
FT. Reg. II
Adm. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS

400

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

June 2, 1953

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

WSM

Re: Docket No. DMEA-2834 (Tungsten)
Little Noisy Mine
Pend Oreille County, Washington

Dear Mr. Selfridge:

Enclosed are four copies of the field examination report with 5 attached maps on the subject mine by G. W. Fuller, U. S. Geological Survey, and W. S. Anderson, U. S. Bureau of Mines.

The presence of scheelite in some of the veins was not recognized when the Little Noisy mine was tested for lead and zinc ore many years ago. Samples cut by Fuller and Anderson indicate significant amounts of scheelite are present. A three-stage exploration program costing $33,060.00 (Government's share $25,395.00) is proposed to test extensions of the tungsten-bearing veins. Work in Stages II and III will be contingent on results of work in the preceding stages.

The Little Noisy mine is located about 6 miles southeast of the major zinc-lead limestone replacement ore deposits in the Metaline District of northeastern Washington. The veins exposed in the Little Noisy mine workings are in the Maitlen phyllite formation that underlies the Metaline limestone formation containing the zinc-lead ore deposits of the Metaline district. Vein structures are not uncommon in the Maitlen formation in Pend Oreille and Stevens Counties of Washington and in British Columbia a few miles to the north, and deposits of zinc and lead ore in this formation are now being worked at several properties.

If the proposed exploration program is successful in outlining a tungsten deposit at the Little Noisy mine, exploration for tungsten ore at other prospects in the Maitlen formation will be stimulated.

Reviewed by
DMEA OPERATING COMMITTEE
6-12-53
(date)

The Field Team concurs with Fuller and Andersen in urging favorable consideration of the proposed exploration at the Little Noisy mine.

By DMEA Field Team, Region II

Harold Kirkham, Acting Exec. Officer
(U. S. Geological Survey)

Eric Erickson, Acting Member
(U. S. Bureau of Mines)

Enclosures as indicated

cc: USBM (2)

EXHIBIT "A"

Description of Work

Stage I

Estimated time schedule 0 - 3 months

1. Crosscutting 30' on No. 4 level to intersect vein exposed in winze.

2. Drifting 100' on the vein.

3. Raising 60' on the vein.

Stage II. Contingent on Stage I

Estimated time schedule 3 months - 5 months

1. Rehabilitation of 170' of crosscut on the No. 3 level.

2. 1820 feet of diamond drilling from face of crosscut on No. 3 level.

Stage III. Contingent on Stage II

Estimated time schedule 5 - 9 months

1. Crosscutting 250' to intersect vein on No. 3 level.

2. Drifting 200' on vein.

Estimated Costs
~~(* Indicates Allowable Maximum)~~

Agreed Unit Costs

Stage I

Crosscutting	30' at $33/ft.	$ 990.00
Raising	60' at $33/ft.	1,980.00
Drifting	100' at $33/ft.	3,300.00
		$6,270.00

Stage II

Rehabilitation of 170' of crosscut at $6/ft.	$1,020.00
1820' of Diamond Drilling at $6/ft.	10,920.00
	$11,940.00

Stage III

Crosscutting 250' at $33/ft.	$ 8,250.00
Drifting 200' at $33/ft.	6,600.00
	$14,850.00

The Government will contribute to the costs of drifting, crosscutting, diamond drilling, and raising on the basis of these agreed estimated costs in lieu of actual costs. The rest of the described work will be contributed to by the Government on the basis of those actual costs specified in Article 6(a) of the contract form which are scheduled below:

Stage I

(f) New Buildings, Improvements and Installations

Compressor House & Storage Shed	$ 500.00

(g) Miscellaneous

20 assays at $5/each	$100.00

Stage II

10 assays at $5/each	$ 50.00

Stage III

30 assays at $5/each	$150.00

SUMMARY

TOTAL COST OF PROJECT

Stage I		
Crosscutting 30' at $33/ft.	$ 990.00	
Raising 60' at $33/ft.	1,980.00	
Drifting 100' at $33/ft	3,300.00	
Total Estimated Cost of Stage I		$ 6,270.00
Stage II		
Rehabilitation of 170' of crosscut at $5/ft. (Timber will be required for the full 170')	$ 1,020.00	
1820' of Diamond Drilling at $6.00/ft.	10,920.00	
Total Estimated Cost of Stage II		$11,940.00
Stage III		
Crosscutting 250' at $33/ft.	$ 8,250.00	
Drifting 200' at $33/ft.	6,600.00	
Total Estimated Cost of Stage III		$14,850.00
Total Estimated Cost of Stage I, II, & III		$33,060.00
Assays 60 at $5/each	$ 300.00	
Compressor House & Storage Shed	500.00	800.00
Total Estimated Cost		$33,860.00
Government Part at 75 percent		$25,395.00

BREAKDOWN OF COSTS

Assuming drifting & crosscutting is on a one-shift basis with an average advance of 4'/shift for a 26-day month. The drifts and crosscuts will be driven 5 X 7' in the clear.

Labor & Supervision for One Shift	Cost/Foot
2 miners at $16/day	$ 8.00
10 percent workmens compensation, OAB unemployment insurance	.80
8 1/3 percent Overtime	.67
Supervision, Engineering, Bookkeeping, etc. at $250/month	2.40
Total	11.87

Operating Equipment - Rental Basis	Cost/Foot
320 CFM Compressor at $300/month	$ 2.88
2 Drifters at $75/each/month	1.44
1 Eimco mucking machine at $250/month	2.40
Total	6.72

Supplies	
Fuse 200'/4' round at $13/1000'	.52
Caps 20/4' round at $21.60/1000'	.11
Powder 15 lb. 1 ft. at $21.75/100 lbs.	3.26
Steel & Bits assume	1.50
Roil 20 lbs. at $7.80/100 lbs.	1.03
Spikes Bolts and Fish Plates	.15
Air Hose 50' at $98/100') Water Hose 50' at $90/100')	.10
Air 2" pipe at $48.63/100') Water 1" pipe at $16/100')	.55

Small Tools & Misc. Equip. $150.00	.23
Maintenance & Repairs	1.50
Freight Assume $300.00	.45
Jeep Operating Costs - assume	.30
Fuel & Oil for Compressor, Oil for Machines	1.50
Total	$ 11.20

Recapitulation Cost of breaking & Mucking bald headings	Cost/Foot
Labor & Supervision	$ 11.87
Operating Equipment	6.72
Supplies	11.20
	$ 29.79
Plus 10 percent Contingencies	2.98
$32.77--Say $33.00/ft.	$ 32.77
Assay 60 Samples at $5/each	$300.00
Construction of Storage House & Compressor Shed	$500.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
JUN 3 1953

May 21, 1953

Reviewed by
DMEA OPERATING COMMITTEE
6-12-53
(date)

Memorandum

To: DMEA, Field Team Region II

From: G. W. Fuller, Geologist, U. S. Geological Survey, and
W. S. Anderson, Mining Engineer. U. S. Bureau of Mines

Subject: Docket No. DMEA-2894 (tungsten), Field examination of the Little Noisy Mine, Pend Oreille County, Washington

INTRODUCTION

The field examination was made April 2, 1953. The accessible workings were mapped and a tape and brunton traverse was made to connect the various workings. Four samples were taken. Mr. E. A. Frick was subsequently contacted in regard to the proposed work on April 29, 1953.

APPLICANT

The applicant is Mr. E. A. Frick of Ione, Washington.

RECOMMENDATIONS

It is recommended that the application be favorably considered. In the accessible workings two scheelite-bearing quartz veins, whose tungsten contents appear promising, are exposed. In the inaccessible workings several large quartz veins are reported, but their tungsten contents have never been determined. Exploration at the property in the past was primarily designed to test sulfide-bearing structures indirectly associated with the scheelite-bearing quartz veins. The applicant's proposed exploration program is modest but considered adequate to fully test the tungsten potentialities of the area. Stages II and III of the program should be dependent upon the continuity of size and tungsten content of the veins explored in the initial stage.

LOCATION

The Little Noisy Mine is situated about half a mile above the mouth of west flowing Noisy Creek on the north side in section 17, T. 38 N., R. 44 E., Pend Oreille County, Washington. The mine is on the south slope of Hall Mountain, which rises precipitously from Sullivan Lake to the west.

The mine is reached by about three-quarters of a mile of very steep, rough, mountain road which joins a secondary, graveled

highway midway between Metaline Falls, which is 6 miles to the northwest, and Ione, which is 7 miles to the southwest.

The road from the highway to the mine is now impassable to vehicles because of slides and loose rock. However, a minor amount of work would make the property accessible to four-wheel drive vehicles. It is possible that a moderate amount of snow removal work during the winter months would keep this road open all year. The secondary highway is maintained by the county and is open throughout the year.

COMPETENCY OF APPLICANT

Mr. Frick, a graduate mining engineer, has been active in the mining industry for the past 18 years as an engineer and in supervisory positions. He is currently employed by the American Lead, Zinc and Smelting Company at Metaline Falls, Washington. The applicant is believed competent, both financially and technically, to initiate and maintain an exploration program.

OWNERSHIP

Mr. Frick, the applicant, has an agreement with Mr. I. E. Boswick of Ione, Washington, executed April 3, 1952, which states that if Mr. Frick expends the sum of $10,000.00 in labor and supplies on the property in a two year period, Mr. Boswick will convey an undivided half interest in the property to Mr. Frick. A consent to lien can be obtained from the owner, Mr. I. E. Boswick of Ione, Washington.

DESCRIPTION OF THE PROPERTY

Surface facilities at the property consist of one log cabin, now in somewhat dilapidated condition.

Mine workings consist of the following: one accessible adit, 75 feet long; one 69° inclined shaft of unknown depth but accessible for 12 feet; and three inaccessible adits of unknown length but reported to contain workings of 190 feet, 460 feet and 940 feet respectively. (See Plate II.)

GEOLOGY

The country rock in the area is composed of phyllites and interbedded hornfelsic limestones of the Maitlen phyllite formation of Cambrian age. The bedding in the area generally strikes N. 40°-70° E. and dips 60°-80° to the northwest. A small granitic intrusion has been reported in the area by Park and Cannon. 1/ No exposures of this granitic mass were observed during the subject examination because of snow; however, granitic material was observed in the dump of No. 2 level. The granite-phyllite contact is reported to have been penetrated in both No. 2 and No. 3 levels. (See Plate II.)

1/ Park and Cannon, Geology and Ore Deposits of the Metaline Quadrangle, Washington, Geological Survey Professional Paper 202, 1943.

The accessible workings at the property consist of an inclined shaft and the No. 4 adit. Both of these were intended to explore a large, sulfide-bearing structure striking approximately N. 61° E. and dipping 69° to the northwest. The inclined shaft, now accessible for 12 feet, was sunk to an unknown depth on this structure. The No. 4 level was driven northwest for 75 feet and 61 feet lower than the shaft collar to crosscut the structure at that elevation; however, this adit was discontinued short of its objective. Exposed in both the shaft and No. 4 level are quartz pods or veins containing disseminated scheelite. The relationship between individual veins or pods is not known.

The quartz vein exposed in No. 4 level ranges from 2 inches to 1.5 feet in width. (See Plate III.) Chip sample, GWF-601, 1.5 feet wide across this vein, assayed 0.72 percent tungsten. This vein has very irregular walls but is essentially parallel to the bedding, striking N. 42° E. and dipping 61° to the northwest. It is exposed for a strike length of about 10 feet before pinching out. From the nature of the observed termination, the structure is believed to be more pod-like than vein-like.

A small 2- to 6-inch split of quartz-bearing scheelite, which apparently follows a joint plane, extends at right angles from the main vein across the back of the drift. Chip sample, GWF-602, was cut across this split and assayed 0.55 percent tungsten. A 15-foot long composite sample, cut along this split and across the main vein, assayed: 0.16 percent Cu, 0.24 percent Pb, 0.10 percent Zn, 0.06 ounce Au, 1.64 ounces Ag, and 0.41 percent WO_3. Other structures in this adit consist of flat faults, generally striking N. 15°-30° W. and dipping 29°-38° to the west. These faults apparently carried, in places, 8 to 10 inches of sulfides and oxidized vein material. A grab sample, GWF-604, of sulfide-bearing material from the No. 4 level dump, assayed: 0.03 ounce per ton Au, 3.5 ounces per ton Ag, 5.3 percent Pb, 5.4 percent Zn, and 0.02 percent WO_3. This material is assumed to have been mined from the now filled winze on the major flat-lying structure.

The inclined shaft exposes the large sulfide-bearing structure to a depth of 12 feet. (See Plate IV.) This structure is 2.5 feet wide in the shaft and is composed of brecciated limestone and disseminated sulfides, mostly marcasite and pyrite with minor amounts of galena and sphalerite. A 6-inch fault, with no apparent displacement, striking N. 85° W. and dipping 45° to the south, cuts the main structure 10 feet below the shaft collar. A sample taken across a one-foot wide quartz vein, containing disseminated scheelite, assayed 0.75 percent tungsten. This quartz vein may continue to depth down the hanging wall of the large vein structure; however, no evidence of it or the fault is seen at the projected intersection of the fault in the No. 4 level. A change in the attitude of this fault probably occurs and it may coincide with one of the flat-lying structures seen near the face of No. 4 level.

The lower levels, No's. 1, 2, and 3, were inaccessible at the time of the examination; however, tunnels No. 1 and No. 3 are described briefly in Park and Cannon's report. Tunnel No. 1 is also described in a report written in 1944 by John R. Cooper of the U. S.

Geological Survey shortly after the discovery of scheelite at the Little Noisy Mine.

As can be seen from the composite map (see Plate II), the lower adits apparently contain much larger quartz structures than are seen in the No. 4 level and the inclined shaft. This observation is supported by Park and Cannon's description which reports ". . . . irregularly distributed lenses of quartz, with a maximum observed width of 4 feet." . . . . and "More quartz is present here than in the upper adit." The first quotation refers to No. 3 adit and the second to No. 1 and No. 3 adits respectively.

Cooper's report describes the quartz vein, in what is assumed to be the No. 1 adit, as being 8 to 18 inches wide but containing negligible amounts of scheelite. No assay data is included in Cooper's report; however, his estimates of the tungsten contents of the veins sampled by the Field Team examiners are quite close to the assay results received by the examiners. At the time of Park and Cannon's investigation, the presence of scheelite at the Little Noisy mine was not known. As a result, the No. 3 tunnel, in which the largest quartz veins are reported, has never been lamped for the presence of scheelite, so far as is known.

PROPOSED EXPLORATION PROGRAM

The applicant's exploration program is composed of three stages. Stage I will consist of the continuation of the No. 4 level crosscut northwestward to the downward projection of the large sulfide-bearing structure and the possible extension of the scheelite-bearing quartz vein on the hanging wall of the larger structure. The first few rounds will also disclose much concerning the nature of the quartz vein now exposed in the face of the No. 4 level. One hundred feet of drifting and 60 feet of raising on the vein will follow the intersection of the structures exposed in the inclined shaft. Stage I is expected to provide considerable information concerning the vertical and horizontal extensions of the scheelite-bearing quartz veins now exposed. Such information will be of value in determining the course of continued exploration work.

Stage II will be contingent upon results gained in Stage I. It will consist of 170 feet of rehabilitation of the No. 3 level, followed by 1820 feet (8 holes) of diamond drilling. Rehabilitation of the No. 3 level is planned to serve two purposes: (1) An opportunity to observe and sample the reported quartz veins on that level; and (2) the establishment of suitably located diamond drilling stations.

Stage III will be contingent upon the results of the diamond drilling from the No. 3 level and will consist of 250 feet of crosscutting to the vein structure and 200 feet of drifting on the vein.

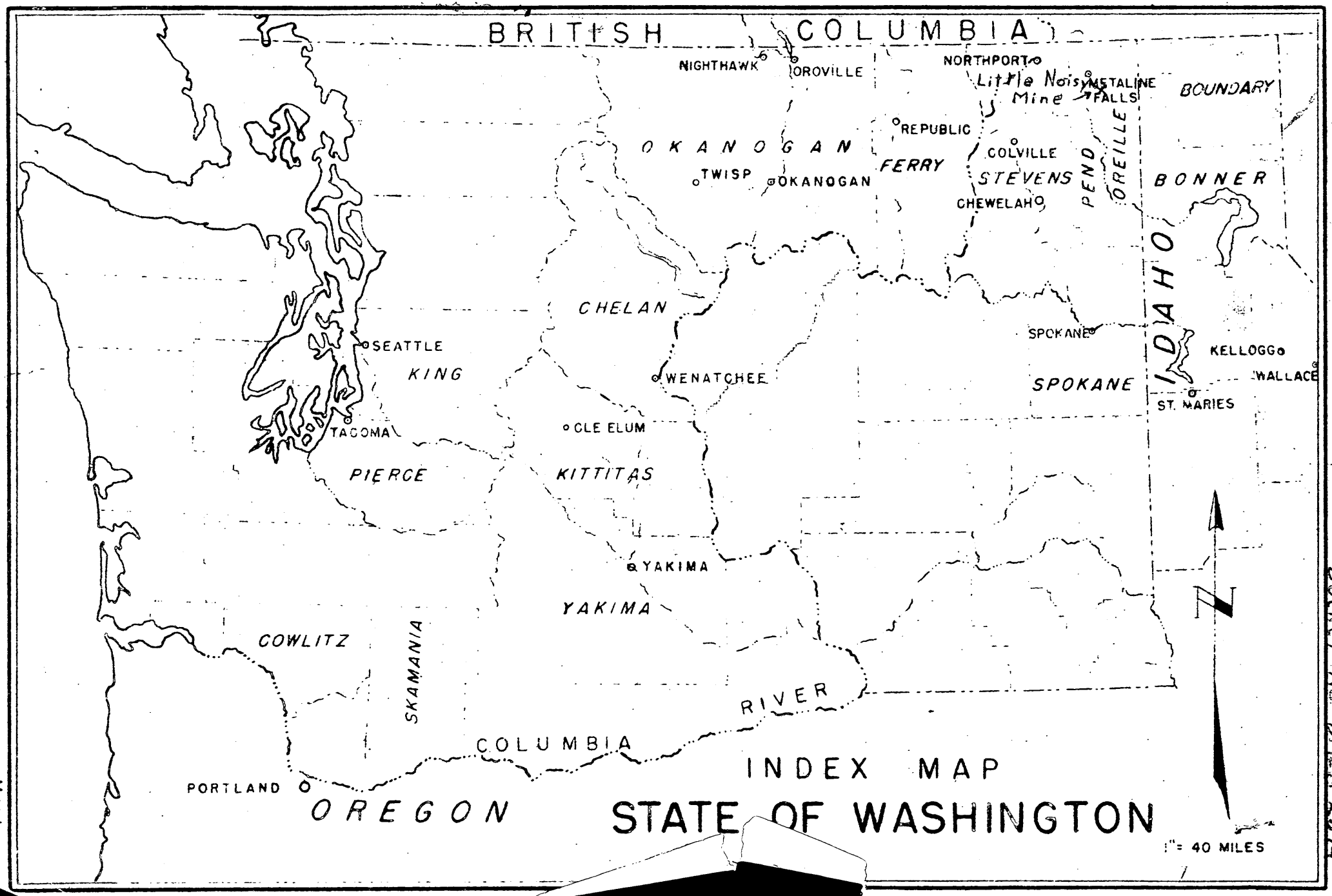
A beneficiation test on a sample of ore from the Little Noisy mine, submitted by Mr. Frick, has been run by the U. S. Bureau of Mines, Mineral Dressing Section, Albany, Oregon. Their tests

indicate that a high-grade tungsten concentrate of 59.0 percent trioxide with 60.6 percent recovery, a low-grade tungsten concentrate of 14.1 percent tungsten trioxide with 20.7 percent recovery, and a sulfide concentrate of 0.70 ounce gold and 4.8 ounces silver per ton, would be feasible from a process combining gravity, flotation and magnetic separation methods of concentration.

An estimate of the costs of the proposed program and a specimen Exhibit "A" are attached.

Enclosures

cc: USBM (5)
USGS (SRO)
Docket
Fuller
DMEA (4)



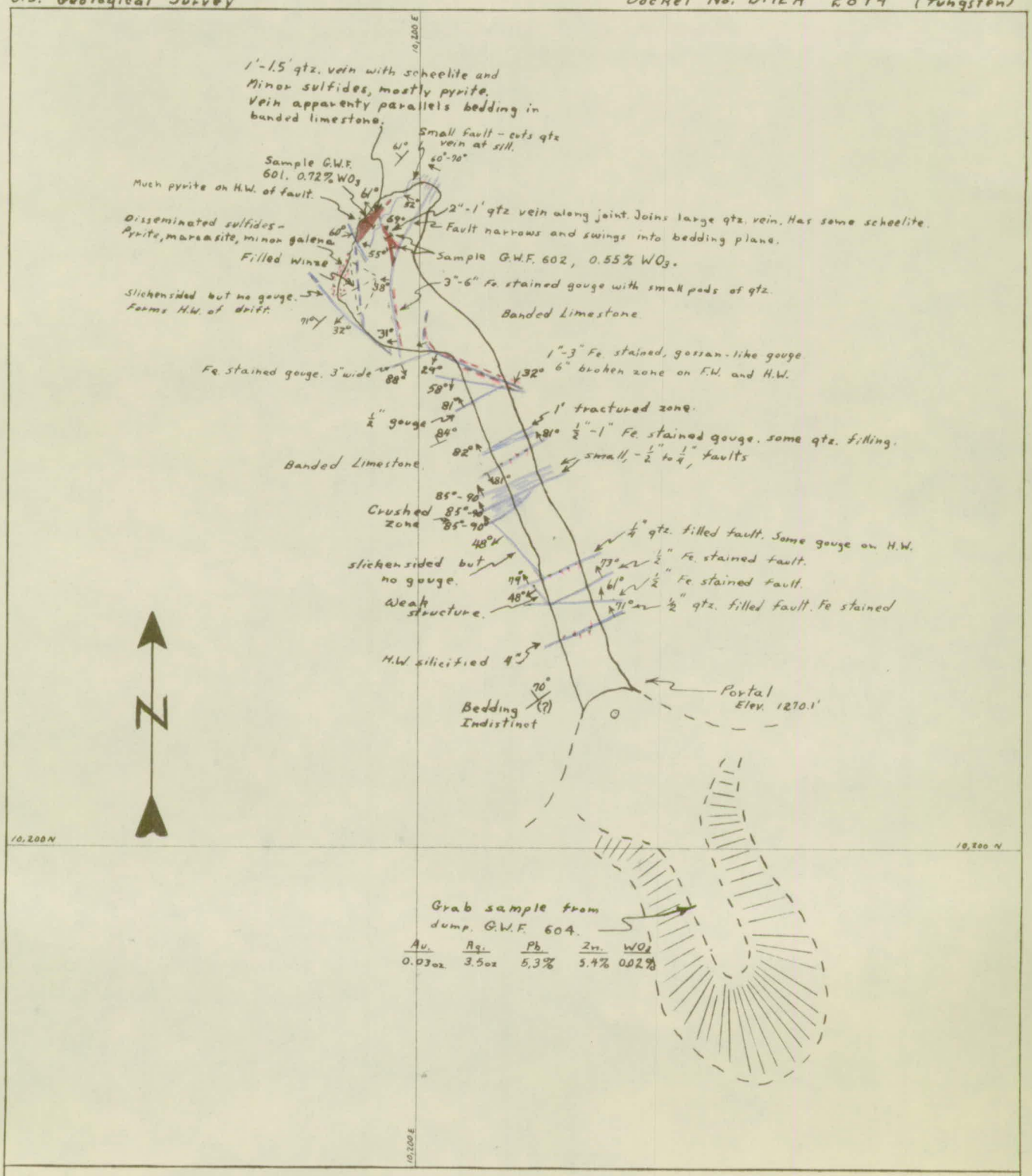
INDEX MAP

STATE OF WASHINGTON

Docket No. DMEA 2824

Map I

Plate I



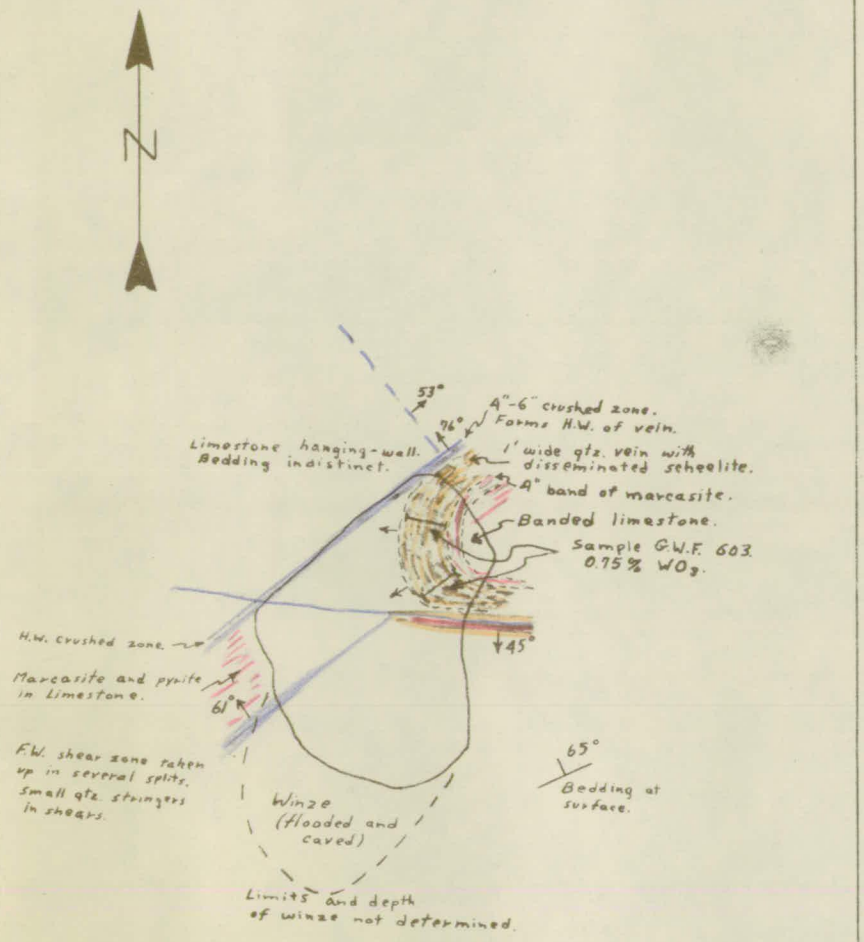
Number 4 Level

Little Noisy Mine, Pend Oreille Co., Washington

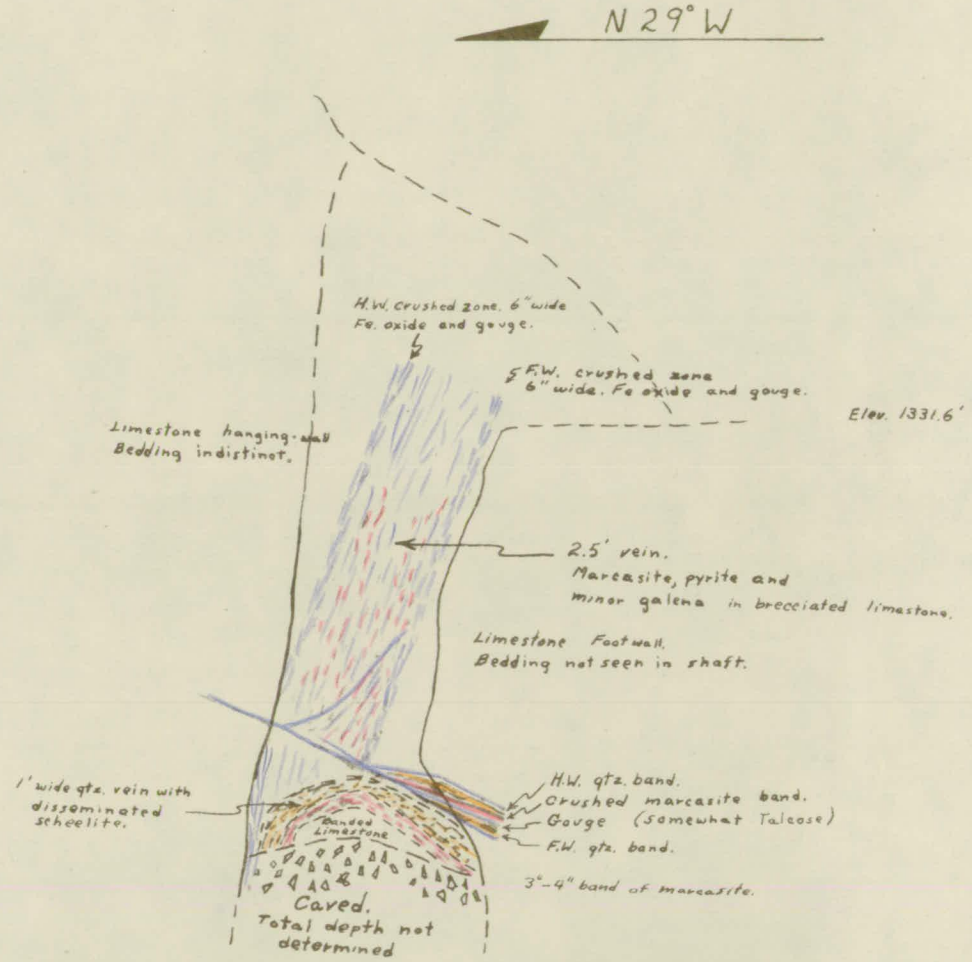
Scale 1" = 20'

Tape and brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M. April, 1953.

Plate 3



Plan drawn 10' below shaft collar



Section along NE wall of shaft looking N.61°E.

Plan and Section - Inclined Shaft

Little Noisy Mine, Pend Oreille Co., Washington

Scale 1" = 5'

Tape and brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M. April 1953.

Plate 4

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

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Applicant _____

Docket No. _____

Commodity _____

Amount $ _____

Please expedite consideration of the application with particular reference to the points raised in the attached "Review".

Sincerely yours,

Chairman, Operating Committee
Defense Minerals Exploration
Administration

APPROVED:

_____
Member, Bureau of Mines

_____
Member, Geological Survey

13759

400

400

FEB 20 1953

Mr. E. A. Frick
Ione
Washington

Re: Docket No. DMA 2894 - Tungsten
E. A. Frick
Foisey Creek Mine
Pend Oreille County, Washington

Dear Mr. Frick:

Your application for assistance in exploring the referenced property has been reviewed by the Iron and Ferro-Alloy Division of the Defense Minerals Exploration Administration and has been referred to Mr. A. S. Weissenborn, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington, for a field examination.

The Regional Office will contact you at an early date in regard to the examination of your property. Any assistance that you can render the field team during the examination will be appreciated.

Sincerely yours,

E. O. Mittendorf

Administrator

cc: Docket
Field Team, Region 2
Code 400
Adm. Read. File
R. W. Geehan, USBM
D. M. Lemmon, USGS

TARutledge/hhb
2/19/53

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

FEB 2 0 1953

Re: Docket No. DMA 2894 - Tungsten
S. A. Frick
Noisey Creek Mine
Pend Oreille County, Washington

Dear Mr. Weissenborn:

This will acknowledge receipt of the subject docket and your letter of February 12, 1953, in which you state that a field examination has been tentatively scheduled. We will, therefore, hold this application in abeyance until the report and recommendations by the field team are received.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

cc: Docket
Code 400
Field Team, Region 2
Adm. Read. File
Operating Committee
R. W. Geehan, USBM
D. M. Lemmon, USGS

FARutledge/hhb
2/19/53

dmea 2894

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

Co. 157 Howard Street
Spokane 4, Washington

February 12, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1953

Dear Mr. Selfridge:

Enclosed are three copies of an application for a DMEA contract submitted by Mr. E. A. Frick of Ione, Washington. The application concerns a lead-tungsten property in Pend Oreille County, Washington. One copy of the application has been retained at this office to facilitate a field examination.

The application is not too clearly prepared; however, rather than to hold it at this office we are submitting it in its present state. We will make the field examination in the near future and will at that time attempt to clear up any points not adequately described in this application.

Sincerely yours,

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

Enclosure

cc: USBM (2)

MR-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
FEB 11 1953
U. S. G. S.
SPOKANE, WASH.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2894
Metal or Mineral
Date Received 2-16-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: [illegible] Price
Ione, Wash.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Three unpatented claims namely the Josephine, Quilcolen 4 and Quilcolen 6 located near the center of section 17, T. 38 N., R. 40 E., W. M.

(*b*) State any mine name by which the property is known. Little Molly, Molly Creek.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise [illegible]

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Agreement Enclosed

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Quilcolen 4-Vol. 8 page 74 Book of Quartz Records
Quilcolen 6-Vol. 8 page 73 Book of Quartz Records

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. none

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. none

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated Feb. 9, 1[illegible], 195...

E. A. Frick
(Applicant)

By.....

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—66551-1

4.

(a) Three drifts, total length approximately 1280 feet. Only one (#1, see plan) accessible. One shaft 35 feet deep, accessible for 20 feet down.

(b) No past or current production; no ore reserve.

(c) Vein deposit in which is included the following minerals as shown in Petrographic Analysis made by United States Bureau of Mines, Albany, Oregon, in Metallurgical Report on Frick Tungsten:

Over 10% Fe, Si, Ca.
5%-10% Al.
1%-5% Mg.
0.1%-1% Pb. Mn. W.
0.01%-0.1% As. Bi, Co, Ag, Cr, Ni, Ti, Mo, Zi,B, Ba
0.001-0.01% none

The vein is in a limestone bed in the Matlin Phillite near a granite intrusion. See report of L. Chichester of United States Bureau of Mines on this property which he made recently. I wish to explore this vein because the vein outcrop shows tungsten, the No. 1 cross cut (see map) cuts the vein and shows a width of 5 feet of tungsten ore. The No. 2 crosscut (see Map) has not been accessible since it was known tungsten occurred in this area. It was not driven in far enough to intersect the vein exposed in #1 crosscut, but there are tungsten showings on the dump. It has been reported to me by men who worked in the No. 3 crosscut, now also inaccessible, that there were good tungsten showings present, although it never intersected the vein exposed in No. 1 crosscut. There are tungsten showings on No. 3 crosscut dump.

(d) The property is located about one mile from a good graded

gravel road. The road from the main road to the property is a mine to market road, quite deep. Under certain conditions heavy trucks or 4-wheel drive vehicles are all that can make it. It is eleven miles from shipping, supply and residence points.

(c) It is located in the Metaline Mining District. Manpower, materials, supplies and equipment are available. Ample water flows by portal of No. 2 and No. 3 crosscuts. There is a Public Utility District power line four miles distant. I have been informed by officials of the District that power would be available when needed.

5. (b) The proposed work falls into three stages:

Stage 1.

To rehabilitate the first 170 feet of No. 2 crosscut which is in overburden and needs re-timbering, cleaning up, track and air-line.

Stage 2.

Installing 550 feet of 2 inch air line continuing from line installed in Stage 1 to face of crosscut, for diamond drilling purposes. Diamond drilling from face of No. 2 Crosscut at various angles (see maps) to intersect the vein exposed in No. 1 crosscut.

Stage 3.

If the diamond drilling proves satisfactory I wish to continue crosscut No. 2 until it intersects the vein a distance at approximately 80 feet and then drift 100 feet in each direction on the vein. Before this drifting can be done the track must be put in, continuing from track installed in Stage 1 to face of No. 2 crosscut.

(c) The work will start as soon as weather permits in the spring, and will be completed within nine months after actual work starts.

(d) The applicant is a graduate mining engineer and has been actively engaged in engineering and supervision in mines since his graduation in 1935. Has held positions as mine superintendent, chief engineer, and is now employed by American Zinc, Lead & Smelting Company as assistant to the Western Geologist. The applicant and person who will supervise the operation are one and the same.

STAGE I.

Rehabilitate 170 foot Crosscut.
(following based on 15 feet per 8-hour shift)

Labor:

Two men timbering, $32.00 per day	$ 2.16 per ft.	
Two men framing timbers, $32.00 per day	2.16 " "	
Supervision, bookkeeping, engineering, use of jeep	1.00 " "	
	5.32 " "	
Old age benefits, industrial insurance (10%)	.53 " "	
Total Labor		$5.85

Material:

Timber--250 board feet/set @ $65.00 per M	3.25 per ft.	
50 Board feet/foot drift	[illegible] "	
2" pipe	.45 " "	
20# rail 18" gauge 200' track needed so it will go out on dump; ties, spikes, etc.	2.30 " "	
Total Material		$6.00
Total Labor and Materials		$ 11.85

170 feet @ $11.85 per foot, $2014.50

STAGE II.

1620 feet Diamond Drilling and installing 550 feet 2" air line from end of line put in, in Stage I.

550 feet of 2" pipe for air line	$247.50
The remainder of Stage II	
Independent Contract	
1620 feet of Diamond Drilling @ $6.00 per ft.	9720.00
Total for Stage II	$9967.50

STAGE III.

Crosscut 80 feet
Drift 200 feet
280 feet 5' x 7' Tunnel. (Based on 4' per shift advance)

Labor:		
2 miners at $16.00	$8.00 per ft.	
Old age benefits, industrial ins., 10%	.80 " "	
Over time, 8-1/3%	.70 " "	
Total Labor		$9.50
Materials:		
Powder 15# per foot @ $21.75/100#	3.24 per ft.	
Caps 20/5# round @ $15.60/1000	.31 " "	
Fuse 200'/round @ $12.00/1000 ft.	2.20 " "	
Steel and bits	1.50 " "	
Pipe (water & air)	.65 " "	
Hose (water & air)	.25 " "	
Small tools and miscellaneous	1.25 " "	
Rail-20# rail, 18" gauge, spikes, ties	2.35 " "	
Total Materials		11.75
Equipment: (rental basis) Based on 26-day month, 4' day shift.		
320 C.F.M. Compressor, $300.00 per mo.	2.83 per ft.	
2 Drifters @ $75.00 ea. per mo.	1.41 " "	
1 Mucker @ $150.00 per mo.	1.41 " "	
Total for equipment rental		5.65
Fuel and oil for compressor, oil for machines		1.50
Supervision, engineering, jeep rental		2.50
Contingencies		3.10
Total per foot		$34.00
Total for 280 feet	$9520.00	

Before work outlined above in Stage III can be done, 410 feet of track must be put in connecting the track put in in Stage I and that provided for in Stage III.

410 feet track @ $2.35 per ft.	$963.50
Drifting	9520.00
Total for Stage III	$ 10483.50
Analytical work, 60 samples @ $3.00	180.00

TOTAL CONTRACT, $22,645.50

A G R E E M E N T

THIS AGREEMENT Made and entered into this 3rd day of April, 1952, by and between I. E. BOSNICK, a single man, of Ione, Washington, Party of the First Part, and E. A. FRICK, of Ione, Washington, Party of the Second Part, WITNESSETH:

WHEREAS The party of the first part is the owner of a certain unpatented lode mining claim in the Metaline Mining District, Pend Oreille County, Washington, known as the DESDEMONA; and

WHEREAS The part of the first part contemplates locating additional claims adjacent to the Desdemona; and

WHEREAS The party of the second part desires to acquire an undivided one-half interest in said Desdemona mining claim and an undivided one-half interest in such other adjacent claims as may be located by the party of the first part during the term of this agreement;

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES, and in consideration of the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

1. The party of the first part hereby gives and grants unto the party of the second part, the right, during a period of two years from date hereof, to enter upon, prospect, develop and mine the above described Desdemona mining claim.

2. The party of the first part agrees that if the party of the second part shall expend the sum of at least $10,000.00 for labor and supplies in prospecting and development work upon said claim during said period, he will convey an undivided one-half interest in said claim to the party of the second part, his heirs or assigns, by quit claim deed. Expenditures made by the party of the second part for machinery and equipment will not be considered in determining whether or not $10,000.00 has been expended for

prospecting and development work. The party of the second part shall furnish a detailed statement of his expenditures to the party of the first part within twenty (20) days after the close of each month during which he shall have done development work. Upon completion of the expenditure of $10,000.00 for prospecting and development work during the two-year period, the party of the first part will execute and deliver a deed as above provided. The net mill or smelter returns after deduction of transportation charges from ores removed in the performance of development work shall be divided and paid, one-half to the party of the first part, and one-half to the party of the second part.

3. The net income from any actual mining operations, as distinguished from development work performed during the said two-year period, shall be devided between the parties, one-half to the first party and one-half to the party of the second part.

4. It is understood and agreed that if the party of the first part shall locate any mining claims adjacent to the Desdemona claim during the term of this agreement, all of the terms and provisions of this agreement shall apply to such additional claims in the same manner as they apply to the Desdemona claim. In such case the party of the second part shall have the right to enter upon, prospect, develop and mine such additional claims during the term of this agreement, the $10,000.00 for prospecting and development work may be expended on any or all of the claims, and upon expenditure of the full sum of $10,000.00 for prospecting and development work during the two-year period, an undivided one-half interest in all of said claims shall be conveyed by quit claim deed to the party of the second part, his heirs or assigns.

5. It is further understood and agreed that if the party of the second part should locate any mining claims adjacent to the Desdemona claim, he will forthwith convey an undivided one-half interest in such claims to the party of the first part.

6. The party of the second part agrees that during the term of this agreement he will perform the annual assessment work required to be performed in order to hold the claims, and will file the proper affidavits with respect thereto.

IN WITNESS WHEREOF The parties hereto have hereunto set their hands and seals the day and year first above written.

/s/ I. E. ROSWICK
Party of the First Part

/s/ E. A. FRICK
Party of the Second Part

STATE OF WASHINGTON }
} ss
County of Pend Oreille }

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 3rd day of April, 1952, personally appeared before me I. E. ROSWICK, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN Under my hand and official seal the day and year first above written.

(SEAL)

/s/ Lloyd W. Ek
Notary Public in and for the State of Washington, residing at Ione.

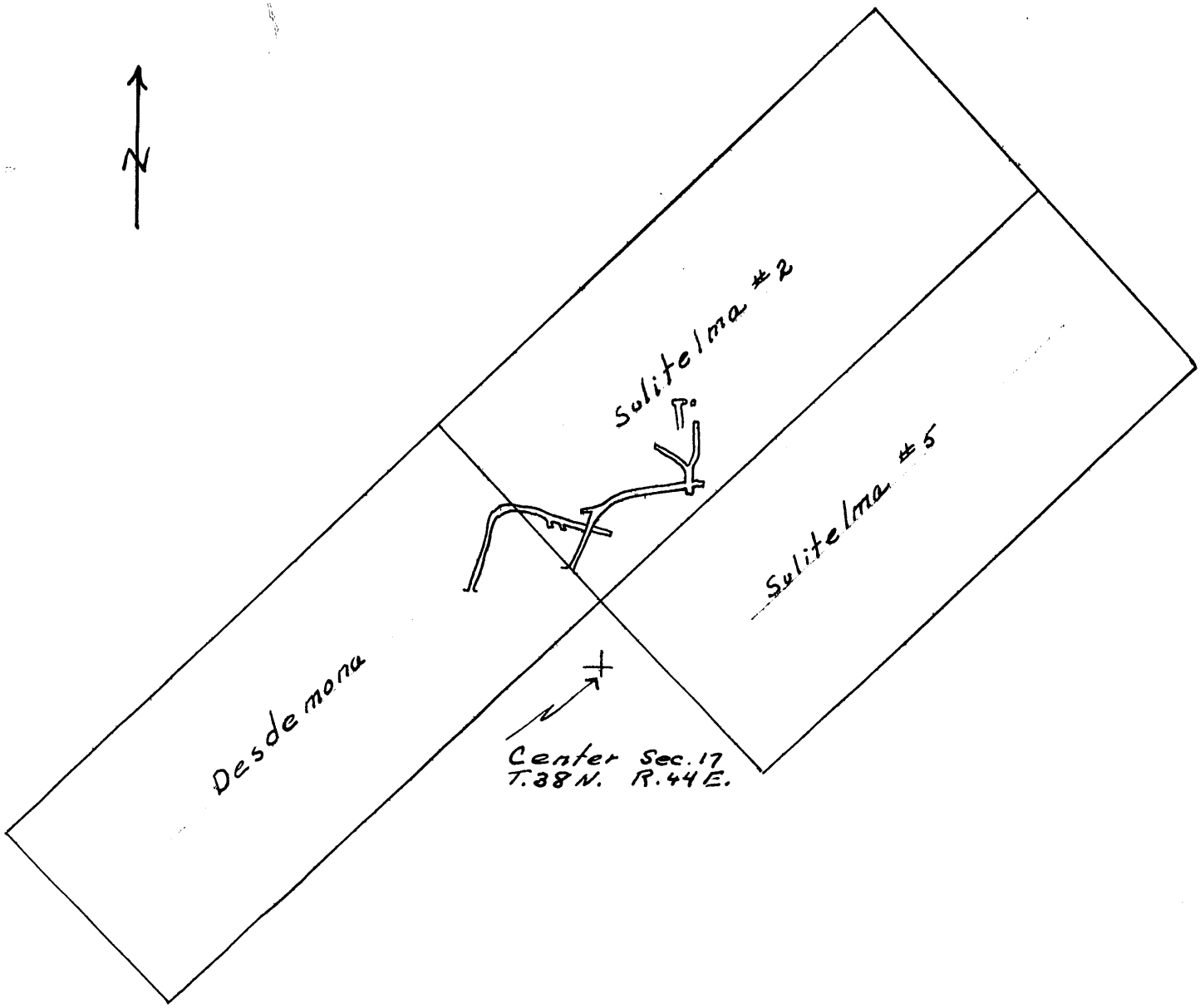
STATE OF WASHINGTON }
} ss
COUNTY of Pend Oreille }

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 3rd day of April, 1952, personally appeared before me E. A. FRICK, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

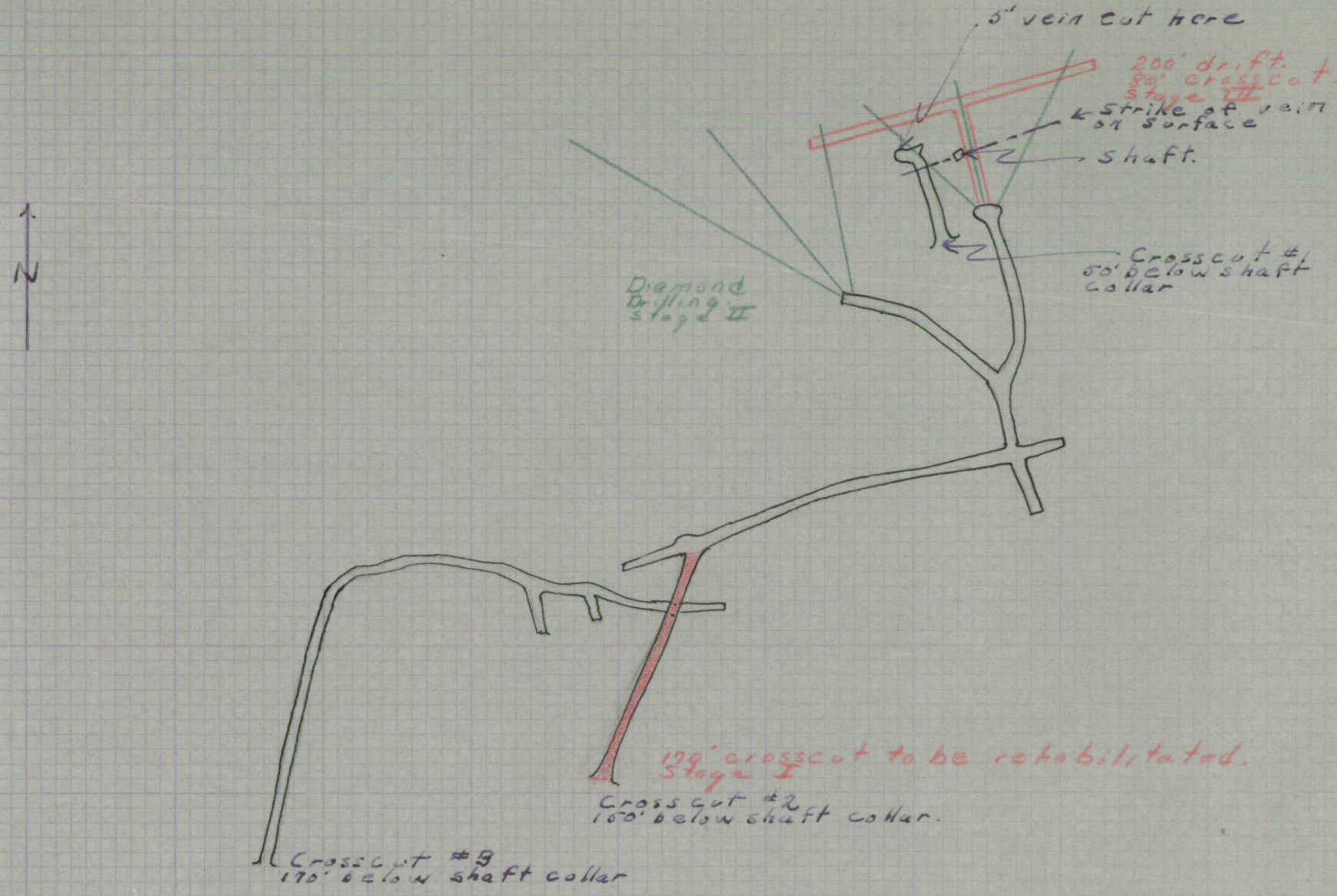
GIVEN under my hand and official seal the day and year first above written.

(SEAL)

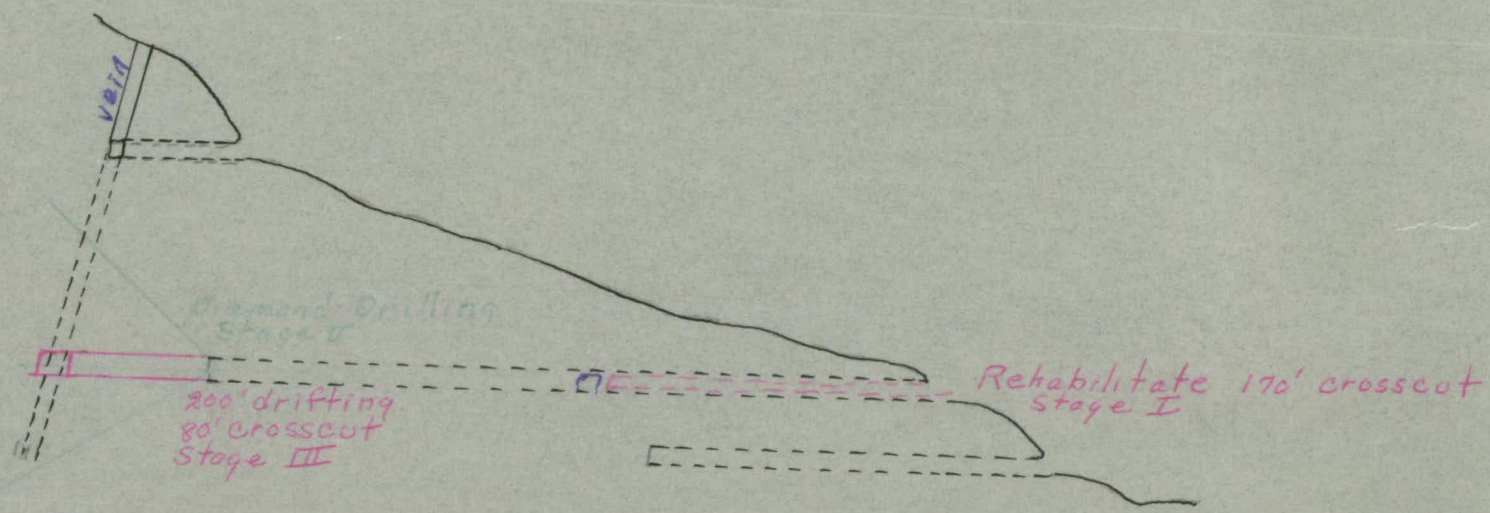
/s/ Lloyd W. Ek
Notary Public in and for the State of Washington, residing at Ione.



1" = 400'
Location of Property


5' vein cut here
200' drift.
80' crosscut.
Stage III
Strike of vein on surface
Shaft.
Crosscut #1
50' below shaft collar
Diamond Drilling Stage II
N
170' crosscut to be rehabilitated.
Stage I
Crosscut #2
150' below shaft collar.
Crosscut #3
170' below shaft collar

Plan
1" = 100'



1" = 100'
section

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. [redacted]EA [redacted]

COMMODITY Tungsten

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Extra Copy
IDM-E 575

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 27th day of July, 195 3, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] [illegible] A. [illegible]
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows: [3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Deadwood, Volume 4, page 30, Book of Mining Locations; Bulletins [illegible] and Bulletins [illegible], Volume [illegible], pages 73 and 74 respectively, Book of Quartz Records
the Operator represents and undertakes: [4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within _____ days from the date of this contract shall commence work on a project of exploration for [5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: [illegible]

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related [redacted] allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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.

Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $[illegible], which is 75 percent of $6,000.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: For lines 1, substitute for that part of 9(a) preceding the colon.

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in Exhibit A as Agreed Unit Costs they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

C. O. Mittendorf

By Administrator, Defense Minerals Exploration Administration

[illegible] (Operator)

By

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894
ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

Actual Costs
(*Indicates allowable maximum)

New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

S U M M A R Y

Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,175.00, which is 75 percent of $6,900.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: See Annex I, substituted for that part of 9(a) preceding the colon.

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in Exhibit "A" as "Agreed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitteudorf
Administrator, Defense Minerals Exploration Administration

E. A. FRICK

By

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Hold in Docket File

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

Government's Copy

IDM-E575

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 27th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] E. A. Frick
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows:[3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Desdemona, Volume 4, page 80, Book of Mining Locations: Sulitelma #2 and Sulitelma #5, Volume 5, pages 73 and 74 respectively, Book of Quartz Records

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached.~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

Actual Costs
(*Indicates allowable maximum)

New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

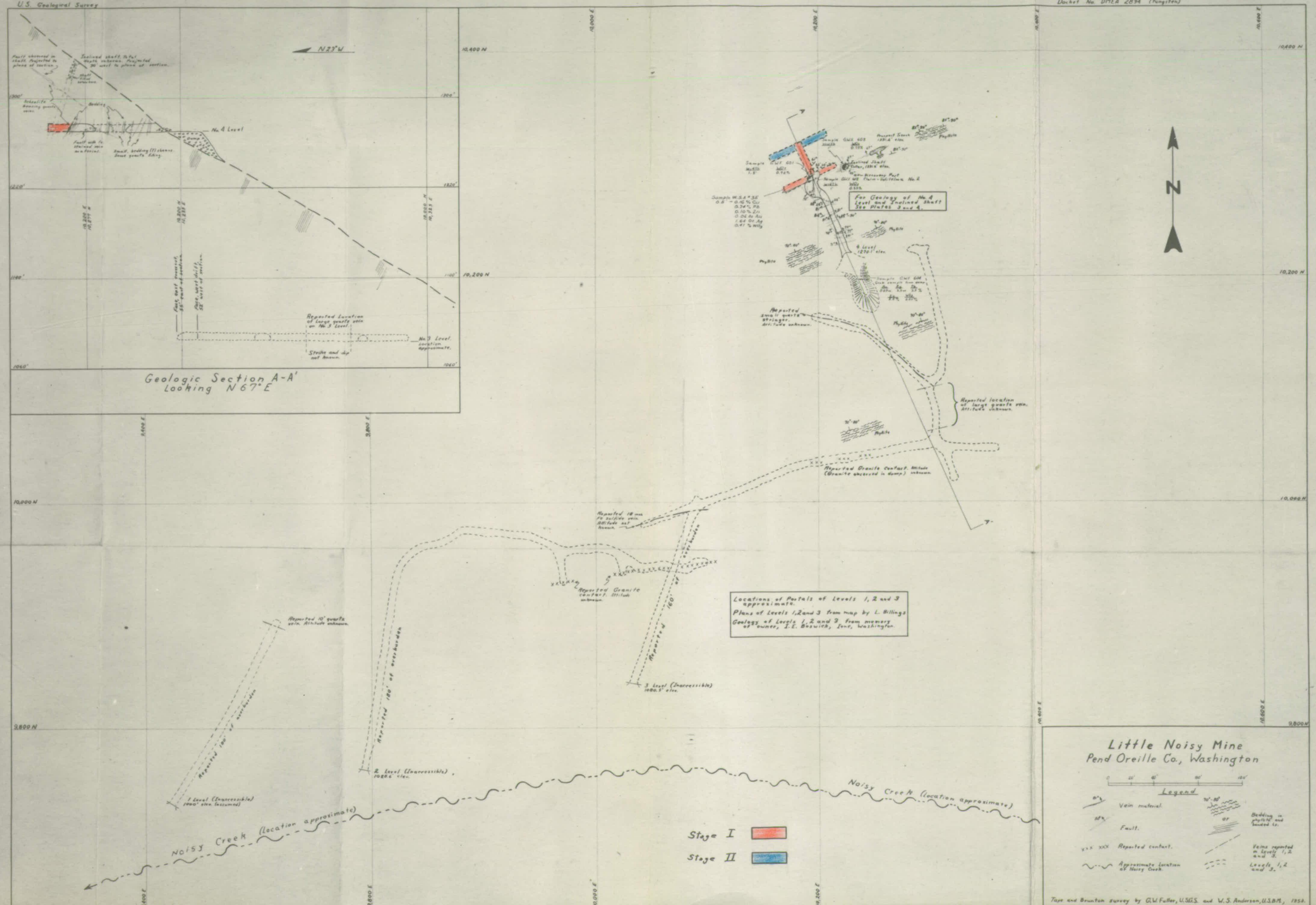
S U M M A R Y

Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

U.S. Geological Survey

Docket No. DMEA 2894 (tungsten)

Geologic Section A-A'
Looking N 67° E



MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille, described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #5 recorded in Volume 5, page 74, Book of Quartz Records; and Sulitelma #2, Volume 5, page 73, Book of Quartz Records. All near center of Sec. 17, T. 38 N., R. 43 E., W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ E. A. Frick

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 29 day of July, 1953.

D E Boswick [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

UNITED STATES OF AMERICA Operator's Copy
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION IDM-E575

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 27th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] E. A. Frick
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows:[3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Desdemona, Volume 4, page 80, Book of Mining Locations: Sulitelma #2 and Sulitelma #5, Volume 5, pages 73 and 74 respectively, Book of Quartz Records

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within _____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(b) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(c) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(a) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,175.00, which is 75 percent of $6,900.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: **See Annex I, substituted for that part of 9(a) preceding the colon.**

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* **To the extent that costs are set forth in Exhibit "A" as "Agreed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf

Administrator, Defense Minerals Exploration Administration

E. A. FRICK ~~(Operator)~~

By

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

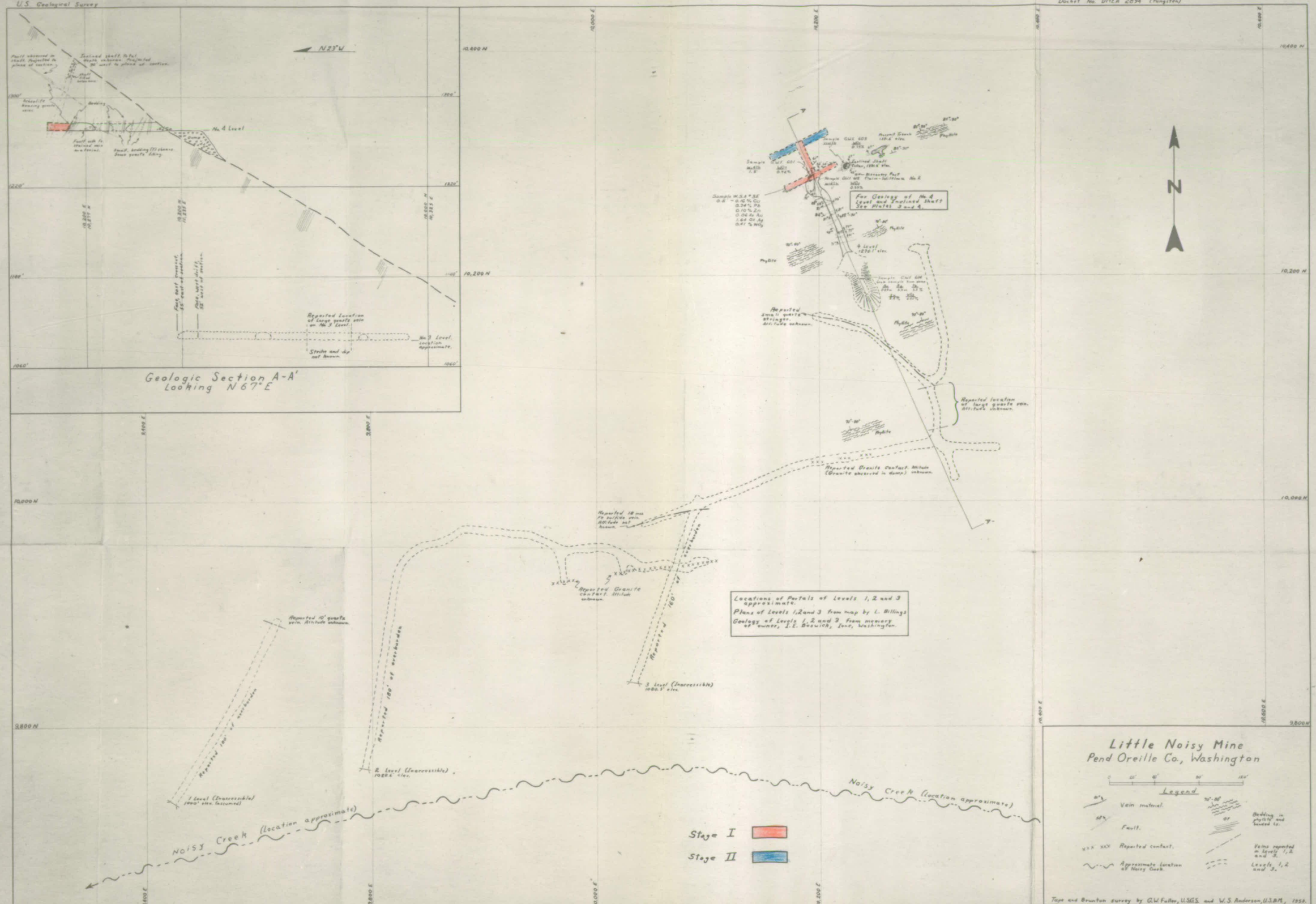
Actual Costs
(*Indicates allowable maximum)

New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

S U M M A R Y

Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

Geologic Section A-A'
Looking N67°E



Little Noisy Mine
Pend Oreille Co., Washington

0 20' 40' 80' 120'

Legend

- Vein material.
- Fault.
- Reported contact.
- Approximate location of Noisy Creek.
- Bedding in pyrite and hanged ls.
- Veins reported in levels 1, 2 and 3.
- Levels 1, 2 and 3.

Tape and Brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M., 1952.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille, described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #5 recorded in Volume 5, page 74, Book of Quartz Records; and Sulitelma #2, Volume 5, page 73, Book of Quartz Records. All near center of Sec. 17, T. 38 N., R. 43 E., W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ E. A. Frick

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 29 day of July, 1953.

J. E. Bonnewitz [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

UNITED STATES OF AMERICA Finance Office's Copy
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION IDM-E575

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 27th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] E. A. Frick
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows:[3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Desdemona, Volume 4, page 80, Book of Mining Locations: Sulitelma #2 and Sulitelma #5, Volume 5, pages 73 and 74 respectively, Book of Quartz Records

the Operator represents and undertakes:

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances, as to each of which the subordination agreement of the holder is attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,175.00, which is 75 percent of $6,900.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: See Annex I, substituted for that part of 9(a) preceding the colon.

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in Exhibit "A" as "Agreed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

(Operator)
E. A. FRICK XXXXX

By

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

L. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

Actual Costs
(*Indicates allowable maximum)

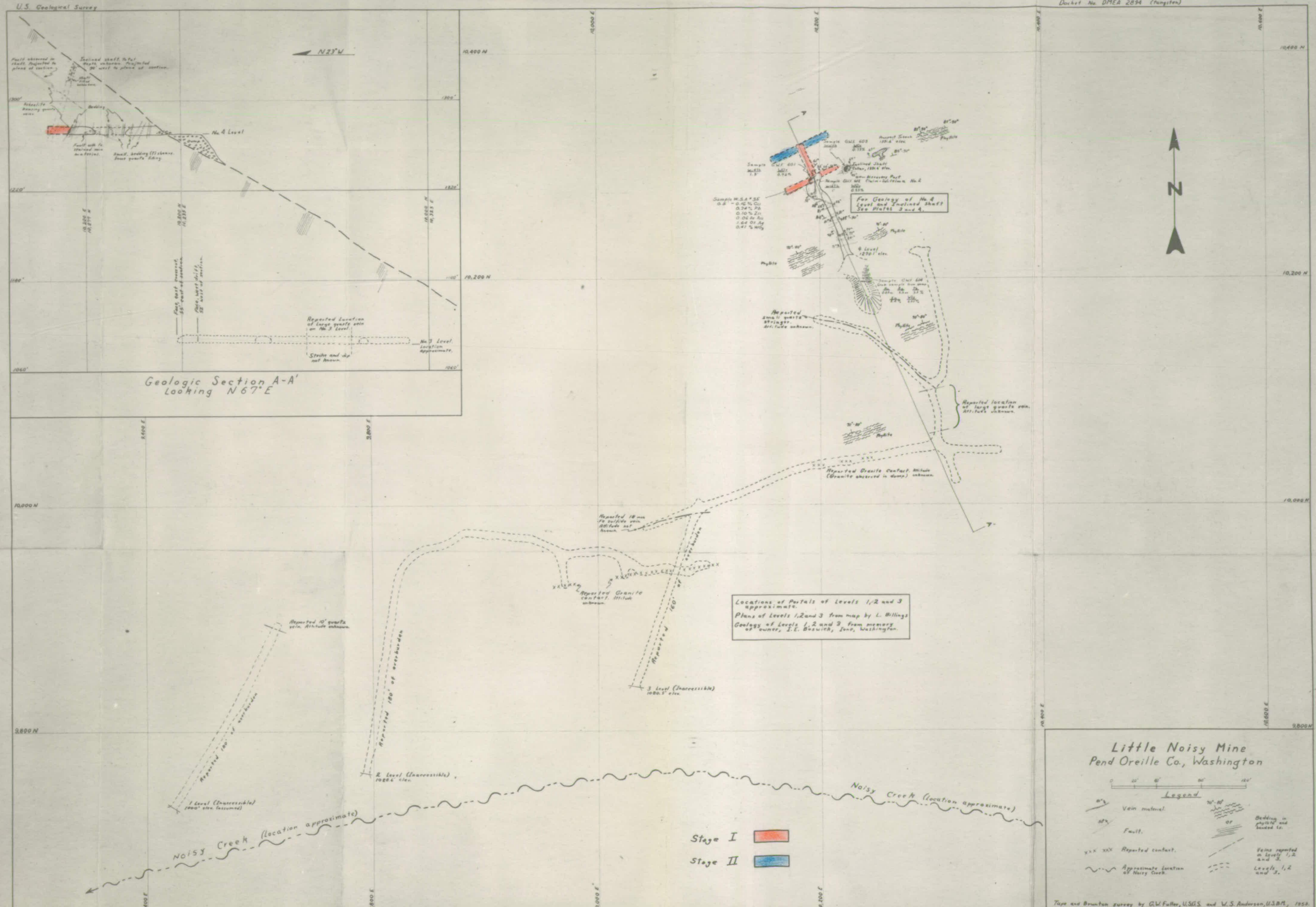
New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

S U M M A R Y

Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

U.S. Geological Survey

Docket No. DMEA 2894 (Tungsten)



MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as follows:1/

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 29 day of July, 1953.

J. E. Borowich [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

UNITED STATES OF AMERICA Field Team's Copy
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION IDM-E575

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 27th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] E. A. Frick
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows:[3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Desdemona, Volume 4, page 80, Book of Mining Locations: Sulitelma #2 and Sulitelma #5, Volume 5, pages 73 and 74 respectively, Book of Quartz Records

the Operator represents and undertakes:

~~(a) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(b) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(c) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(a) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~[illegible]~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,175.00, which is 75 percent of $6,900.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: **See Annex I, substituted for that part of 9(a) preceding the colon.**

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro-rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* **To the extent that costs are set forth in Exhibit "A" as "Agreed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

E. A. FRICK (Operator) **XXXXX**

By

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

Actual Costs
(*Indicates allowable maximum)

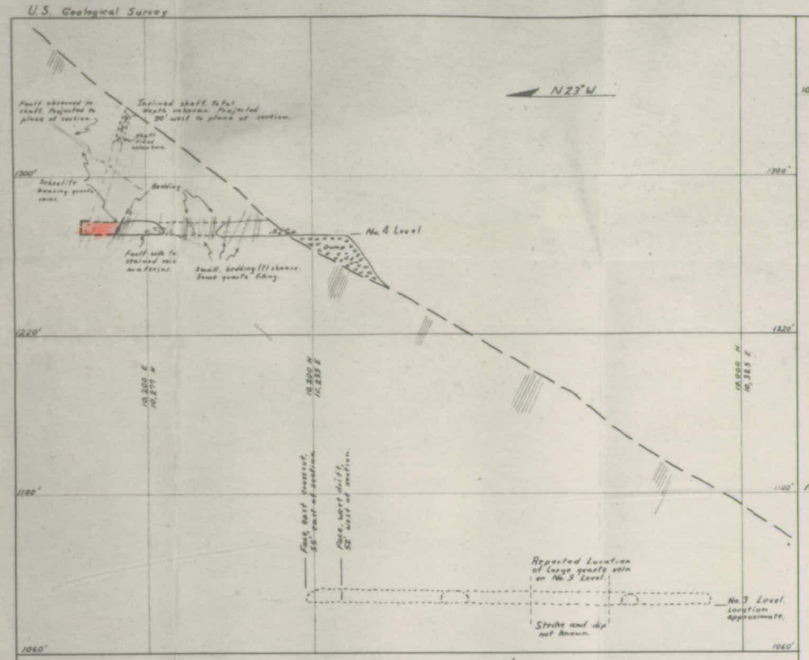
New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

S U M M A R Y

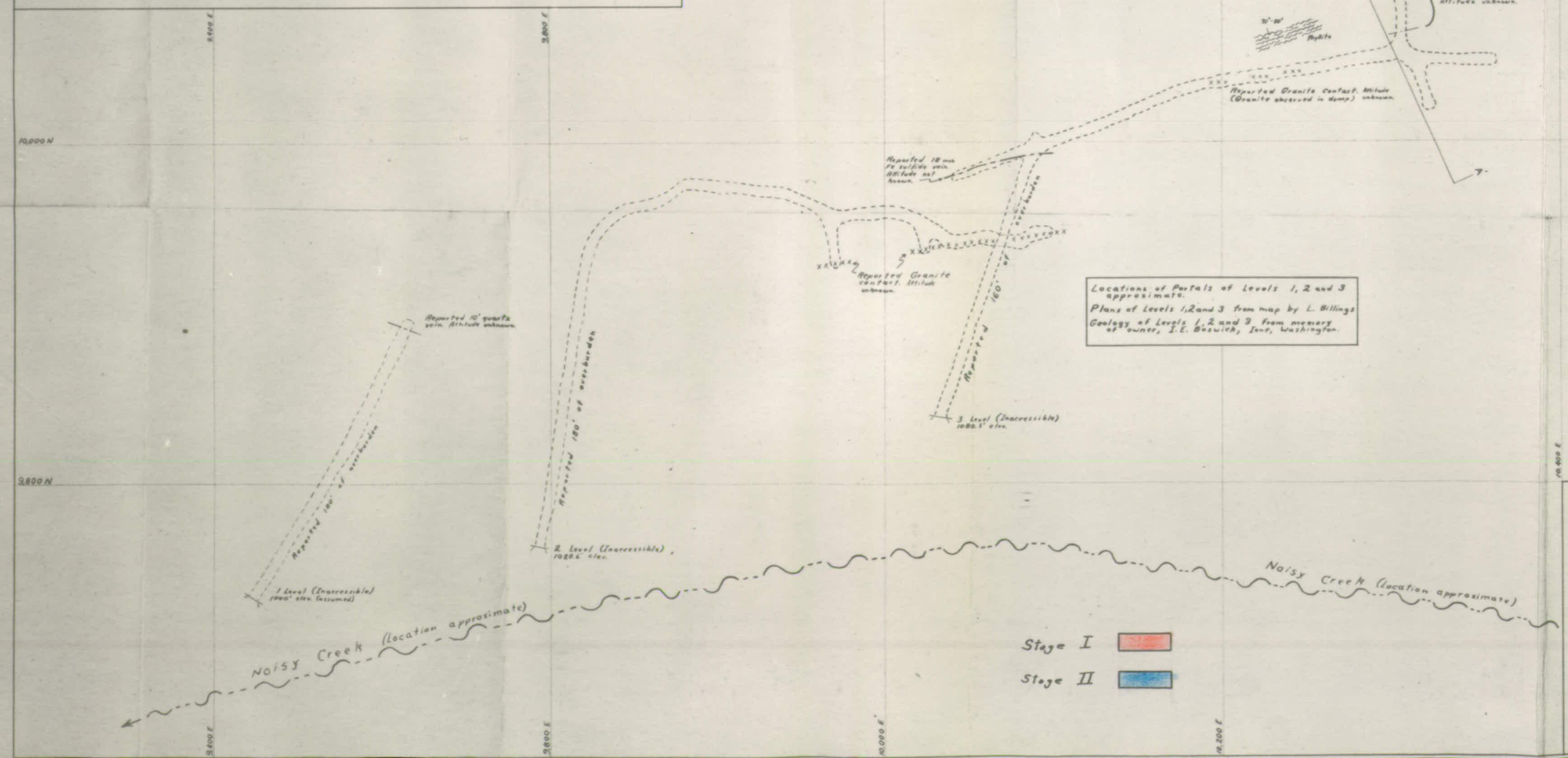
Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

U.S. Geological Survey

Docket No. DMEA 2894 (tungsten)



Geologic Section A-A'
Looking N67°E



Locations of Portals of Levels 1, 2 and 3 approximate.
Plans of Levels 1, 2 and 3 from map by L. Billings
Geology of Levels 1, 2 and 3 from memory of owner, I.E. Beswick, Ione, Washington.

Little Noisy Mine
Pend Oreille Co., Washington

0 20' 40' 60' 120'

Legend

- Vein material.
- Fault.
- Reported contact.
- Approximate location of Noisy Creek.
- Bedding in phyllite and banded ls.
- Veins reported in levels 1, 2 and 3.
- Levels 1, 2 and 3.

Tape and Brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M., 1958.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of [redacted], County of [redacted], described as follows:1/

[redacted]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [redacted]

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 29 day of July, 1953.

J. E. Bowerwils [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-550
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

UNITED STATES OF AMERICA Docket Copy
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

I.R.-E575

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 27th day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] E. A. Frick
Ione
Washington

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II

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 Pend Oreille, described as follows:[3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Desdemona, Volume 4, page 80, Book of Mining Locations: Sulitelma #2 and Sulitelma #5, Volume 5, pages 73 and 74 respectively, Book of Quarts Records

the Operator represents and undertakes:

~~(a) That the Operator is the owner in possession and entitled to possession, and that the property is subject to the following claims, liens, or encumbrances, as to each of which the subordination agreement of the holder is attached:~~

(b) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ____ days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(b) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(c) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(a) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay **75** percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $**5,175.00**, which is **75** percent of $**6,900.00**, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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: **See Annex I, substituted for that part of 9(a) preceding the colon.**

(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* **To the extent that costs are set forth in Exhibit "A" as "Agreed Unit Costs" they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals Exploration Administration

E. A. FRICK (XXXXX

By ______________________

I, ______________________, certify that I am the ______________________ secretary of the corporation named as Operator herein; that ______________________, who signed this contract on behalf of the Operator, was then ______________________ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, 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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894
ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2894

EXHIBIT "A"

Description of the Work

The exploration work on this project is to be conducted in three stages and is indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the prior stage. All exploration workings are to be not less than 4 feet by 6½ feet in cross section in the clear, and timbered where necessary. Samples are to be taken from the mineralized ground and assayed. The direction of all drifting and the location and inclination of the raise or raises are subject to the approval of the Field Team.

Stage I

Time schedule: 0 - 2 months

1. Construct a compressor shed and storage house.

2. Extend the No. 4 level crosscut adit not in excess of 30 feet to intersect the vein exposed in the shaft.

3. Drift from the No. 4 level crosscut adit not in excess of 50 feet along the vein now exposed in the face.

Stage II

Time schedule: 2 - 3 months

1. Drift from the No. 4 level crosscut adit along the vein exposed in the shaft not in excess of 50 feet plus such additional footage allowed for drifting in Stage I but not there used.

Stage III

Time schedule: 3 - 4 months

Raise from the No. 4 level not in excess of 60 feet.

Estimated Costs of the Project

Agreed Unit Costs

Crosscut 30 feet @ $33.00/ft.	$ 990.00	
Drift 100 feet @ $33.00/ft.	3,300.00	
Raise 60 feet @ $33.00/ft.	1,980.00	
Total Agreed Unit Costs		$6,270.00

The Government will contribute to the costs of the above crosscutting, drifting, and raising on the basis of these agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work except those costs scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b), and 6(a)(1) of the contract form.

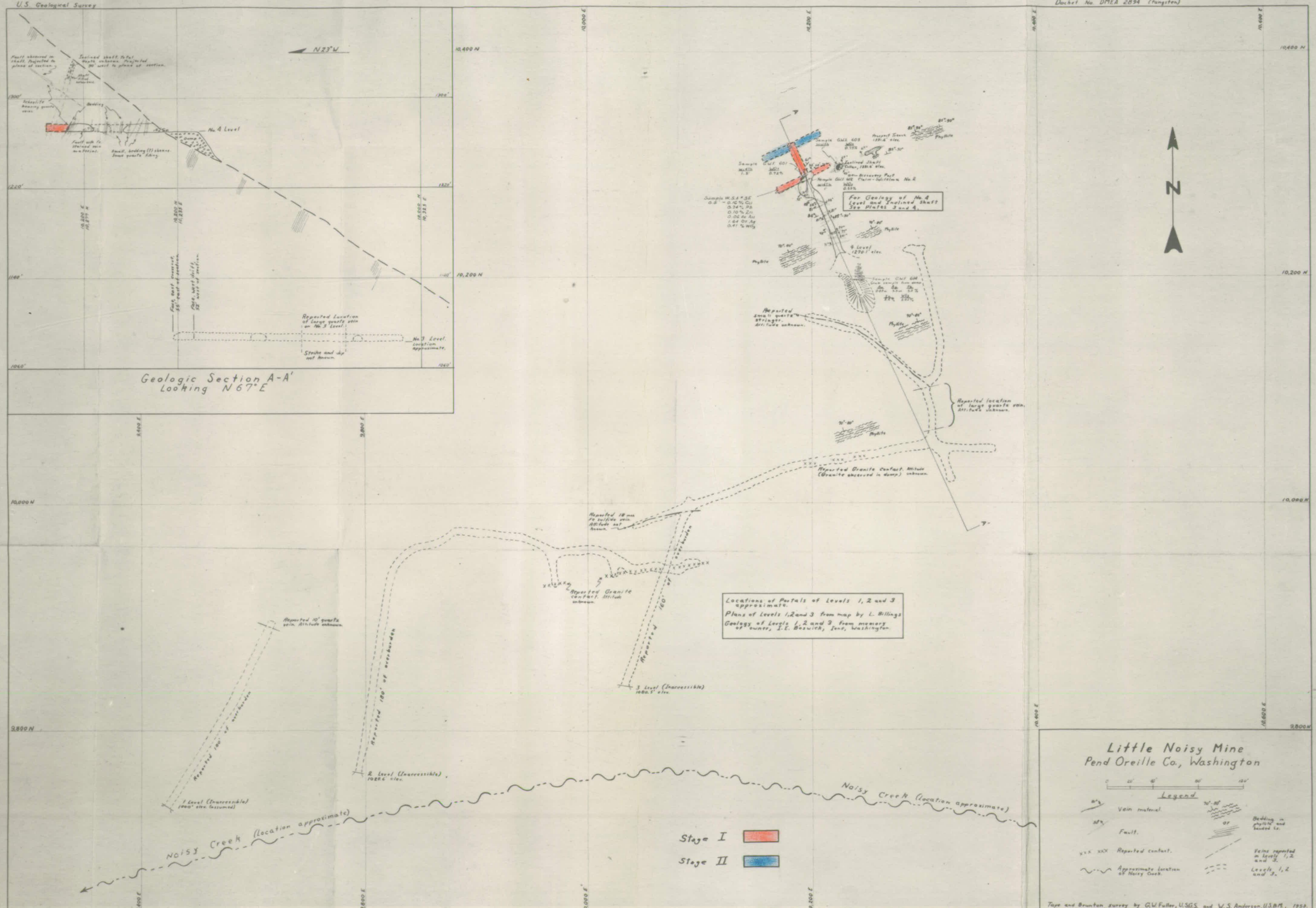
Actual Costs
(*Indicates allowable maximum)

New buildings, improvements, installations		
Compressor house and storage shed	$ 500.00*	
Miscellaneous		
Analytical determination	130.00	
Total Actual Costs		$ 630.00

S U M M A R Y

Total Agreed Unit Costs	$6,270.00	
Total Actual Costs	630.00	
Total Estimated Cost of the Project		$6,900.00*
Government Participation @ 75%		$5,175.00*

Geologic Section A-A'
Looking N67°E



Locations of Portals of Levels 1, 2 and 3 approximate.
Plans of Levels 1, 2 and 3 from map by L. Billings
Geology of Levels 1, 2 and 3 from memory of owner, I.E. Boswich, Ione, Washington.

Little Noisy Mine
Pend Oreille Co., Washington

0 20' 40' 80' 120'

Legend

- Vein material.
- Fault.
- Reported contact.
- Approximate location of Noisy Creek.
- Bedding in phyllite and hooded tr.
- or
- Veins reported in levels 1, 2 and 3.
- Levels 1, 2 and 3.

Tape and Brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M., 1958.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille, described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #3 recorded in Volume 5, page 74, Book of Quarts Records; and Sulitelma #2, Volume 5, page 73, Book of Quarts Records. All near center of Sec. 17, T. 38 N., R. 43 E., W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ E. A. Frick

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions _____

Dated this 29 day of July, 1953.

J E Bosnick [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--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 gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

R. E. Adams, Chief, Operations Control and Statistics Division, DMEA

November 27, 1953

Martin

Iron and Ferro-Alloys Division, DMEA

Removal of application from the active files
Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Holsey mine
Ferd Cruelle County, Washington

A proposed contract was submitted to Mr. Frick through the Executive Officer, DMEA Region II, by letter of July 27, 1953. The proposed contract, in three stages, covered only the exploration outlined by the Field Team in Stage I of their three stage recommended program. Cost of the revised program covered by the proposed contract was $6,900.00 against $33,860.00 estimated by the Field Team for the complete program.

The Applicant by letter of September 11, 1953, returned the proposed contract unsigned as the revised program did not meet with his approval.

As this Division and the Commodity Divisions of the Geological Survey and Bureau of Mines agreed that the additional exploration requested is unwarranted by the indications to date, the Executive Officer of Region II was advised by letter of November 2, 1953, we would hold the proposed contract in abeyance until November 25, 1953. If by that date the Applicant had not indicated his interest in signing, the docket would be transferred to the inactive files and the matter closed.

The docket is transmitted herewith.

SIGNED
W. S. Martin, Chief
Iron and Ferro-Alloys Division

FARutledge:foc
11-23-53
cc: Docket
Code 400
Admr. Reading File

11-27-53

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : R. E. Adams, Chief, Operations Control and Statistics Division, DMEA

DATE: November 27, 1953

FROM : Iron and Ferro-Alloys Division, DMEA

SUBJECT: Removal of application from the active files
Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

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The Applicant by letter of September 11, 1953, returned the proposed contract unsigned as the revised program did not meet with his approval.

As this Division and the Commodity Divisions of the Geological Survey and Bureau of Mines agreed that the additional exploration requested is unwarranted by the indications to date, the Executive Officer of Region II was advised by letter of November 2, 1953, we would hold the proposed contract in abeyance until November 25, 1953. If by that date the Applicant had not indicated his interest in signing, the docket would be transferred to the inactive files and the matter closed.

The docket is transmitted herewith.

W S Martin
W. S. Martin, Chief
Iron and Ferro-Alloys Division

FILE COPY
SURNAME:

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

NOV 2 1953

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington
Contract No. Idm-E575

Dear Mr. Weissenborn:

This will acknowledge your letter of October 16, 1953, giving us the Field Team's reasons for preferring the larger exploration program originally recommended instead of the project covered by the subject contract.

We believe the Field Team will agree with us that there are several classes into which the applications that come to DMEA may be divided on the basis of the evidence at hand. In certain of the more favorable prospects, the data are such that an exploration contract may be written without staging the contract work. In other cases, the information available at first is not sufficiently strong to warrant the entire proposed program and therefore the exploration work is staged. Favorable evidence at other prospects may be entirely lacking and these applications for exploration assistance are denied.

In a few of the proposed projects, the data appear to warrant only a portion of the proposed program. This was the consensus of opinion in the case of the Little Noisy mine. It must be understood, however, that in all of the above cases the evidence secured as a result of the exploration program or additional prospecting by the applicant may warrant further exploration. Each application must be considered separately on the data available.

It will be appreciated if you will clarify your following statement concerning the position of the Operator if the project we outlined was successful: "He might well have found himself with his funds exhausted and his property looking better but still very inconclusively explored." In such a case he should have expended no more

R.C.B. 11-2-53

funds then under Stage I of the Field Team's proposed contract and it is difficult to understand how, if the applicant's available funds are so small, he expected to participate in the larger program.

We will hold in abeyance until November 25, 1953, the proposed contract as written. If by that date the applicant does not indicate his interest in signing, the docket will be transferred to the inactive files and the matter closed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2HB)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (2HB)

T. P. Thayer

Member, Geological Survey (2HB)

FARutledge:foc
10-23-53
cc: Docket
Code 400
Admr. Reading File
Operating Comm.
FT. REG. 2
R. W. Geehan, USBM
T. P. Thayer, USGS

DOCKET

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

October 16, 1953

WSM

Inc. K

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

Re: Docket No. DMEA-2894 (Tungsten)
Little Noisey Mine
Pend Oreille County, Washington

Dear Mr. Selfridge:

Reference is made to your letter of September 23, 1953, in which acknowledgment is made of receipt of the unsigned copies of the referenced contract, and in which comments are made regarding our recommendations in returning the contract.

You are correct in your assumption that the American Zinc, Lead & Smelting Company is not interested in the property. The applicant, Mr. E. A. Frick, is employed by American Zinc and used stationery of that company in returning the contract. He signed, however, as an individual and not as an officer or agent of American Zinc.

In the initial Field Team examination of the Little Noisey property, it was recognized that the property was unlikely to become a major tungsten producer, but it was believed that it had enough promise to justify exploration. We therefore proposed a three-stage program, which we believed would determine whether the mine could be made productive. In proposing Stage I we realized the work would be comparatively close to the surface; however, we hoped to gain enough information at relatively low cost on the horizontal extent--and to some degree on the vertical extent--of the scheelite-bearing quartz bodies to determine whether the succeeding stages would be warranted. We believed such work could be done for $6,270.00.

The contract, as presented to the Operator, was also set up in three stages but allowed only $6,900.00 for the entire project, the total of all three stages being more or less equivalent to our Stage I. This contract did not appeal to the Operator because he had no assurance that the Field Team might not terminate the contract at the end of Stage I after only a minuscule amount of work had been done and before the property had what would

logically be considered a fair test. If the project had been carried to completion and had indicated that the quartz scheelite bodies were sufficiently persistent and of sufficient grade to be of interest, the Operator would still be in an unsatisfactory position--the shallow location of the exploration precludes the possibility of delineating enough tonnage to do him much good, and he has no assurance that he could expect more assistance from the DMEA. He might well have found himself with his funds exhausted and his property looking better but still very inconclusively explored. We did not attempt to influence his decision but we could understand why he refused to accept the contract.

How then did he expect to participate in a larger program

In our letter of September 17 we state "It would be ill-advised to embark on a program so limited that there would be little, if any, opportunity to uncover enough information to be of any value to the applicant or the Government" and you have cited this as conclusive evidence that by our own words we have confirmed the dubiousness of the project. This we think is a little unfair for although we might have been more adroit in our choice of words, if our letter of September 17 is read carefully our meaning seems clear enough. Obviously a single shallow pit dug on the vein might yield information of some value, yet in itself would hardly justify a DMEA contract. What we clearly meant was that a program so limited could uncover only inconclusive information and would therefore be of little value to either the Operator or to the Government. There is, in our opinion, a significant difference between a program which provides $6,900.00 to determine whether the property looks good enough to justify more work or should be abandoned and a program which allots $6,900.00 for a complete exploration job. It could be argued, of course, that if the results look good the Operator can come back and get his contract extended. This has been done, of course, but it is time wasting, and we cannot guarantee to the Operator that the contract can be extended no matter how good his results may be. It was for these reasons that the Field Team recommended the allotment of sufficient funds to permit an adequate test of the property. At the same time provision was made to place the work on a stage basis so that the contract could be readily terminated should the early results indicate that further work would be futile.

The Field Team recognizes that the Little Noisey property is unlikely to become a major producer but believes that it warrants exploration. It does not object greatly if the Operating Committee does not agree and turns down the proposal, but it considers that trimming down of the contract to the point where the results are almost certain to be inconclusive is most unwise. We feel that if the DMEA is not prepared to carry an exploration program through to its logical conclusion and a definitive result, it would be better advised not to enter into the program at all.

By DMEA Field Team, Region II

M. E. Volin, Member
(U. S. Bureau of Mines)

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

400

FILE COPY
SURNAME:

Martin
Sedwick

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

SEP 23 1953

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington
Contract No. Idm-E575

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of September 17, 1953, returning the subject contract unsigned and enclosing copy of letter of September 11, 1953, from Mr. E. A. Frick, giving his reasons for being unwilling to accept the contract. Mr. Frick's letter is written on the letterhead of the American Zinc, Lead & Smelting Company, Metaline Falls, Washington, but it is our understanding that the above-named company is not concerned in the matter although it does employ Mr. Frick.

You state that the applicant objects to the contract on the grounds that expenditure of the sum allotted under the contract will not permit sufficient work to be done to be of any value, and you add that the Field Team is in accord with this opinion and believes that it would be ill-advised to embark upon a program so limited that there would be little, if any, opportunity to uncover sufficient information to be of any value to the applicant or the Government. In this instance Messrs. T. H. Killsgaard and T. E. Howard signed for the Field Team.

The program set-up in the contract, although subdivided therein as three stages, is otherwise practically identical with Stage I of the contract recommended by the Field Team under date of June 2, 1953. At that time Messrs. H. Kirkemo and E. Erickson stated that the work of their Stages II and III would be contingent on results of work in the preceding stage.

In other words, on June 2 the Field Team expected by spending slightly less than $6,900 to develop sufficient information to either justify or preclude spending at least $11,940 more, and possibly $26,160 more, whereas the Field Team now advises us strongly that the work done for the first $6,900 would not be of any value.

R.C.B.
9-29-53

Your recommendation, "that either the contract be considered as cancelled and placed in the inactive file, or else redrawn to provide for a more substantial program in which the applicant might take an interest," may be appropriate under the circumstances, but assists us only by emphasizing the dubious merit of the project.

We realize that the owner of the lands of the project has agreed to convey to the applicant an undivided half interest in the property on condition that the applicant expend at least $10,000 for labor and supplies in prospecting and development work thereon before April 3, 1954. We appreciate that the proposed DMEA program falls short of the amount named in their agreement. Nevertheless, such considerations should not be given any great weight in judging projects of this sort.

Enclosed for your files is a copy of a memorandum prepared July 15, 1953, by R. W. Geehan, U. S. Bureau of Mines, regarding this project. We have previously sent you a copy of the related memorandum of June 16, 1953, by D. M. Lemmon, U. S. Geological Survey.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Enclosure

APPROVED:

J. H. Hedges

Member, Bureau of Mines (2/B)

A. R. Kinkel, Jr.

Member, Geological Survey (2/B)

CC: DOCKET
FIELD TEAM, REG. 2
ADM. READ. FILE
CODE 400
OPER. COMMITTEE
R. W. GEEHAN, USBM
MARY MILLER, USGS

WSMartin/ls
9/23/53

Docket

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

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

September 17, 1953

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

Re: DMEA Docket No. 2894 (tungsten)
Little Noisy mine
Pend Oreille County, Washington
Contract Idm-E575

Dear Mr. Selfridge:

Returned herewith, unsigned, are the original and 5 copies of the subject contract, together with copies of the applicant's letter, in which he presents his reasons for refusing to sign the contract.

The Field Team's report of May 21, 1953 recommended a program whose costs totaled $33,860.00. It was believed that an expenditure of this amount of money would be necessary to fully test the tungsten potentialities of the property. This sum, however, was decreased in the Washington office to $6,900.00.

It will be noted that the applicant objects to the contract on the grounds that expenditure of the sum allotted in the contract will not permit sufficient work to be done to be of any value and is, therefore, not justifiable. The Field Team is in accord with this opinion. The contract should either allot enough money to give the property an adequate test, or else no contract should be granted. It would be ill-advised to embark upon a program so limited that there would be little, if any, opportunity to uncover enough information to be of any value to the applicant or the Government.

As the applicant refuses to accept the contract in its present form, it is recommended that either the contract be considered as cancelled and placed in the inactive file, or else redrawn to provide for a more substantial program in which the applicant might take an interest.

By Field Team, Region II

Thor H. Kiilsgaard

Thor H. Kiilsgaard, Acting Exec. Officer
(U. S. Geological Survey)

Thomas E. Howard

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

cc: USBM (2)
Puffett

AMERICAN ZINC, LEAD & SMELTING COMPANY

METALINE FALLS, WASHINGTON

September 11, 1953

M. E. Volin
Member, DMEA Field Team
Region II
Spokane, Washington

Subject: Contract Idm-E575
Docket No. DMEA 2894 (tungsten)
Little Noisy Mine
Pend Oreille County, Washington

Dear Sir.

I regret to inform you that the contract definitely does not meet with my approval. Therefore I am returning to you all copies of the exploration project contract unsigned.

I do not feel as though your plan justifies spending the sum of money you have proposed in your contract because it is about fifty feet under the surface, twenty-five feet of which is already exposed. Furthermore, any knowledge gained in this immediate area certainly would not be indicative of what one may find below, only to the extent that tungsten was present in the assending solutions.

In all probability it will not be the vein as we see it near the surface that will make the mine, if there is one. It will be at the intersection of the limestone bed exposed in No. 4 tunnel and the granite. The argellite beds on either side of the limestone will form a trough with the granite, thereby setting up what is apparently the ideal condition for tungsten deposition in this area, (our neighbors to the north, also in Inyo County, California, Humboldt County, Nevada).

Sincerely yours,

E.A. Frick

EAF/af

RECEIVED
SEP 15 1953
U.S.G.S.
SPOKANE, WASH.

AMERICAN ZINC, LEAD & SMELTING COMPANY
METALINE FALLS, WASHINGTON

September 11, 1953

M. E. Volin
Member, DMEA Field Team
Region II
Spokane, Washington

Subject: Contract Idm-E575
Docket No. DMEA 2894 (tungsten)
Little Noisy Mine
Pend Oreille County, Washington

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Sincerely yours,

E.A. Frick

EAF/af

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

1201 N. Division St.
Spokane 2, Washington
September 1, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
RECEIVED
SEP 3 - 1953

Mr. E. A. Frick
Ione, Washington

Subject: Contract Idm-E575
Docket No. DMEA 2894 (tungsten)
Little Noisy Mine
Pend Oreille County, Washington

Dear Mr. Frick:

Under date of August 3, 1953, this office mailed you the original and five copies of the subject exploration project contract which had been signed by C. O. Mittendorf, DMEA Administrator.

To date we have heard nothing from you regarding this contract. If it does not meet with your approval, please return all copies with your comments. In the event you still wish to enter into this contract, please sign all copies, retain the one marked "Operator's Copy" and return the remaining copies to this office.

Sincerely yours,

M. E. Volin
Member, DMEA Field Team
Region II

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

M.D.S.
docket

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

1201 N. Division St.
Spokane 2, Washington
August 3, 1953

Mr. E. A. Frick
Ione, Washington

Subject: Docket No. DMEA 2894 (Tungsten
Little Noisy Mine
Pend Oreille County, Washington
Contract Idm-E575

Dear Mr. Frick:

Attached are the original and 5 copies of an exploration project contract signed by C. O. Mittenderf, Administrator, DMEA, together with Exhibit "A" (2 pages), Annex I (1 page), Annex II (1 page), Owner's Consent to Lien, and one map.

If the terms and conditions of this contract are satisfactory to you please sign all copies, retain the copy marked "Operator's Copy" for your files, and return all the remaining copies to this office.

At the time of signing the contracts please insert in the blank space provided in Article 3 of the contract form the number of days within which you will commence work.

If all or any part of the contract does not meet with your approval please return all copies with your comments.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team
Region II

Enclosure

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

FILE COPY
SURNAME:

140

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

N.S. in R.R. July 22, 1953

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: E. A. Frick - Docket No. DMEA-2894 - Tungsten

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consents to Lien which have been prepared and sent out for signature.

This contract is made up of agreed unit costs in the sum of $6,270.00 and actual costs in the sum of $630.00. This small element of actual costs necessitates placing the contract on the complicated, long form instead of the simple, short form. I think it is bad practice to put in a few items of actual cost which necessitate putting the contract on the long form. I think this would be a good subject for special instructions to the field from the Operating Committee.

J. L. Hofflund
J. L. Hofflund
Chief Counsel

Attachments

AEKane/ema 7-22-53
cc: Mails & Files
W. S. Martin
A. E. Kane
J. L. Hofflund
Chron.

400

FILE COPY
SURNAME:

Rutledge
Martin
Rutledge
Jones

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

JUL

Air Mail

E575

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

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above-referenced contract signed by the Administrator for the Government, together with Exhibit "A" (2 pages), Annex I (1 page), Annex II (1 page), and one map.

If the terms and conditions of this contract are satisfactory to you and the Operator, all six copies should be signed, subject to the attachment of the corrected Owner's Consent to Lien, and the usual distribution made.

If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Please note that the following major changes have been made in the contract as originally outlined:

1. Stages II and III of the proposed exploration program have been eliminated.

2. Stage I as proposed by the Field Team has in turn been divided into three stages.

3. A portion of the drifting specified was allowed to explore the vein exposed in face of the No. 4 level crosscut adit.

The above changes have decreased the amount of the proposed contract from $33,860.00 to $6,900.00, the amount proposed by the Field Team for their Stage I.

Under Article 3, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

MDL 7-27-53

J. H. Hedges

Member, Bureau of Mines

s/ D. M. Lamabee

Member, Geological Survey

FARutledge/ls
7/24/53

Copy to: DOCKET
FIELD TEAM, REG. II
CODE 400
ADM. READ. FILE
OPERATING COMMITTEE
D. M. LEMMON, USGS
R. W. GEEHAN, USBM

N.S. in R.R.

FILE COPY
SURNAME: Docket

Martin

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

Chief Counsel, DMEA

July 17, 1953

Iron and Ferro-Alloys Division, DMEA

Review and preparation of Exploration Project Contract
Docket No. DMEA 289~~4~~ - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Transmitted herewith is the rough draft of a proposed exploration project contract for your use in preparing the contract in final form.

New Owner's Consent to Lien forms have been forwarded to the Operator for execution by the Owner and submission to Mr. A. E. Weissenborn for attachment to the proposed contract at the time of its execution.

Copies of the map referred to in the draft are being prepared and will be furnished to the Legal Division for attachment to the contract.

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

Attachment

FARutledge/ls
cc: Docket
Code 400

July 24, 1953

1. ~~Mr. Chambers~~

2. ~~Mr. Hofflund~~

3. ~~Operating Committee~~ - ~~[illegible]~~

4. ~~Mr. Mittendorf~~ - HB

5. Mails & Files - 4539 - JW Adams

Attention is called to the attached memorandum by Mr. Hofflund. This Division agrees in principal that the short form should be used where possible, but believes that the Government should be protected by using the long form where there is a chance for a return by salvage of part of the funds expended. A memorandum expressing the Division's views on the subject is being prepared.

W S Martin
Acting Chief, Iron and
Ferro-Alloys Division

Suggest sending copies of commodity specialists & field team with our letter.
I concur! Com HJ

140 Docket

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

July 22, 1953

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: E. A. Frick - Docket No. DMEA-2894 - Tungsten

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consents to Lien which have been prepared and sent out for signature.

This contract is made up of agreed unit costs in the sum of $6,270.00 and actual costs in the sum of $630.00. This small element of actual costs necessitates placing the contract on the complicated, long form instead of the simple, short form. I think it is bad practice to put in a few items of actual cost which necessitate putting the contract on the long form. I think this would be a good subject for special instructions to the field from the Operating Committee.

J. L. Hofflund
Chief Counsel

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

July 21, 1953

Memorandum

To: The Administrator
Through: W. S. Martin

From: Chief Counsel

Subject: E. A. Frick - Docket No. DMEA-2894 - Tungsten

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consents to Lien which have been prepared and sent out for signature.

J. L. Hofflund
Chief Counsel

Attachments

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MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2894

COMMODITY Tungsten

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] E. A. Frick
Ione
Washington

hereinafter called the "Operator," as follows: as set forth in Annexes I and II

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 Pend Oreille, described as follows: [3] Three unpatented lode mining claims on record in the office of the County Recorder of Pend Oreille County as follows: Desdemona, Volume 4, page 80, Book of Mining Locations; Sulitelma #5, Volume 5, page 74, Book of Quartz Records; (Sulitelma #2, ~~Volume 5, page 72, Book of Quartz Records~~ respectively) the Operator represents and undertakes:

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within _____ days from the date of this contract shall commence work on a project of exploration for [5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of four (4) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $5,175.00, which is 75 percent of $6,900.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ----------

Insert

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

---------- (Operator)

By ----------

By ----------

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

E. A. FRICK
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA 2894

EXHIBIT "A"

DESCRIPTION OF THE WORK

The exploration work on this project is to be conducted in 3 stages and so indicated in part on the map attached hereto entitled "Little Noisy Mine, Pend Oreille Co., Washington." The work in each successive stage is to be undertaken only if in the opinion of the Field Team it is warranted by the results of the previous stage. All exploration workings are to be not less than 4 by 6½ feet in cross section in the clear and timbered where necessary. The direction of all drifting and location of the raises are subject to the approval of the Field Team and inclination.

STAGE I

Time Schedule: 0 - 2 months

1. Construct a compressor shed and storage house
2. Extend the No. 4 level crosscut adit to intersect the vein exposed in the shaft, ~~crosscutting~~ not ~~to~~ exceed 50 feet.
3. Drift from the No. 4 level crosscut adit along the vein now exposed in the face. ~~The direction of this drifting is subject to the approval of the Field Team and its length is~~ not ~~to~~ exceed 50 feet.

STAGE II

Time Schedule: 2 - 3 months

~~Stage II is to be undertaken only after the completion of Stage I, if warranted in the opinion of the Government by the results of Stage I.~~

1. Drift from the No. 4 level crosscut adit not to exceed 150 feet along the vein exposed in the shaft. ~~Direction of this drifting is subject to the approval of the Field Team. The total of the drifting under Stages I and II is not to exceed 100 feet.~~

STAGE III

Time Schedule: 3 - 4 months

~~Stage III is to be undertaken only after the completion of Stage II, if warranted in the opinion of the Government by the results of the prior exploration.~~

1. Raise from the No. 4 level ~~at locations to be determined by the Operator, subject to the approval of the Field Team, not to total~~ NOT in excess of 60 feet.

ESTIMATED COSTS OF PROJECT

AGREED UNIT COSTS

Stage I

Crosscut 30 feet @ $33.00 per foot	$ 990.00	
Drift 50 feet @ $33.00 per foot	1,650.00	
		$2,640.00

Stage II

Drift 50 feet @ $33.00 per foot	1,650.00	1,650.00

Stage III

Raise 60 feet @ $33.00 per foot	1,980.00	1,980.00

The Government will contribute to the costs of the above drifting, crosscutting, and raising on the basis of these agreed estimated costs in lieu of actual costs. The rest of the described work will be contributed to by the Government on the basis of those actual costs specified in Article 6(a) of the contract form, which are scheduled below:

Actual Costs

(*Indicates allowable maximum)

New Buildings, Improvements, and Installations	
Compressor House and Storage Shed	$500.00
Miscellaneous	
Analytical determination	130.00
TOTAL ESTIMATED COST OF PROJECT	$6,900.00
GOVERNMENT PARTICIPATION @ 75 percent	5,175.00

MR-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #5 recorded in Volume 5, page 74, Book of Quartz Records; Sulitelma #2, Volume 5, page 73 Book of Quartz Records. All near center of Sec. 17, T. 38 N. R 43 EWM

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ ~~I. E. Boswick~~ E. A. Frick

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ ~~16,984.11~~ 16,984.12, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 19th day of June, 195 3.

I E Boswick [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(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.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ME-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #5 recorded in Volume 5, page 74, Book of Quartz Records; Sulitelma #2, Volume 5, page 73 Book of Quartz Records. All near center of Sec. 17, T. 38 N. R 43 E.W.M.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ I. E. Bosnick

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 16,984.11, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 19th day of June, 1953.

I E Bosnick [Seal]

[Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

(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.

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille described as follows:1/

Three unpatented mining claims: Desdemona, recorded in Volume 4, page 80, Book of Mining Locations; Sulitelma #5 recorded in Volume 5, page 74, Book of Quartz Records; Sulitelma #2, Volume 5, page 73 Book of Quartz Records. All near center of Sec. 17, T. 38 N. R 43 EWM

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ I. E. Boswick

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 16,984.11, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 19th day of June, 195 3.

I E Boswick [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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 six 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) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

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(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.

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MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of _____, County of _____ described as follows:1/

_____

_____

_____

_____

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 _____.

_____ [Seal]

_____ [Seal]

_____ [Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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(1) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent 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) per cent 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) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

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MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of [illegible] described as follows:1/

[illegible]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ [illegible]

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

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3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this [illegible] day of June, 195 9.

J. E. Bosewell [Seal]

_____ [Seal]

_____ [Seal]

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MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Washington, County of Pend Oreille described as follows:1/

Three unpatented mining claims: [illegible], recorded in Volume 4, page 60, Book of Mining Locations; [illegible] 5 recorded in Volume 9, page 74, Book of Mining Locations; [illegible] 2, Volume 9, page 73 Book of Mining Locations. [illegible] near center of Sec. 17, T. 30 N., R. 43 [illegible]

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ I. E. Bosnick

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 29th day of June, 195 3.

I. E. Bosnick [Seal]

_____ [Seal]

_____ [Seal]

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Docket

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

July 15, 1953

Memorandum

To: W. S. Martin
DMEA

From: R. W. Geehan
USBM

Subject: Little Noisy mine, DMEA 2894, Tungsten
Pend Oreille County, Washington

The Field Team report dated May 21, 1953 recommends approval of a three-stage contract costing about $34,000. The report and maps indicate a rather poor chance for locating an extensive ore body containing tungsten.

I believe that the contract should be limited to stage I, and that the other stages be considered later. In stage I, every effort should be made to keep the work on ore, as there is considerable doubt as to the continuity of the present showings.

Robert W. Geehan

Robert W. Geehan

FILE COPY
SURNAME:

400

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

Rutledge
Selfridge
Weissenborn
Whitenhoff

JUN 22 1953

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

Re: Docket No. DMEA 289½ - Tungsten
E. A. Frick
Little Noisy Mine
Pend Oreille County, Washington

Dear Mr. Weissenborn:

Reference is made to the subject docket. A memorandum by D. M. Lemmon, U. S. Geological Survey, has been prepared covering the Field Team report on the referenced property and is enclosed for your information.

Sincerely yours,

6-22

George C. Selfridge (JHB)
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

A. R. Kinkel, Jr.
Member, Geological Survey (JHB)

FARutledge:foc 6-19-53
cc: Docket
Code 400
FT. Reg. II
Oper. Comm.
Admin. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS

Enclosure

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 22 1953

1 Docket

Ione, Washington
June 19, 1953

United States Department of the Interior
Defense Minerals Exploration Administration
Washington, D. D.

WSM

Re: Docket No. DMEA 2894 -Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Gentlemen:

In accord with your letter of June 12th I enclose herewith six copies of Owner's Consent to Lien which have been executed by I. E. Boswick.

Very truly yours,

E. A. Frick

E. A. FRICK

EAF/af
enc. 6

IN REPLY REFER TO:

G-MD-DML

Docket

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

June 16, 1953

Memorandum

To: W. S. Martin, DMEA

From: D. M. Lemmon, USGS

Subject: Field report
Little Noisy mine
Sec. 17, T. 38 N., R. 44 E.
Pend Oreille County, Washington

DMEA-2894
Tungsten

The Little Noisy mine was examined April 2, 1953, by G. W. Fuller (Geological Survey) and W. S. Anderson (Bureau of Mines). Their report, dated May 21, recommends approval of a 3-stage contract costing $33,860. The work involves drifting, crosscutting, raising, diamond drilling and rehabilitation of old workings.

The known scheelite occurrences are exposed in No. 4 adit and in the upper part of a partially filled inclined shaft near the adit. The following 4 samples were taken:

Sample Identification	Location	Width	Percent WO_3
601	Adit 4	18 inches	0.72
602	Adit 4	12 inches	0.55
603	Shaft, 10 feet below collar	12 inches	0.75
604	Dump of Adit 4		0.02

The scheelite-bearing rock in the adit appears to be a pod about 10 feet long. An exposure of a vein 8 to 18 inches thick in the No. 1 adit (now caved) was examined in 1944 by J. R. Cooper of the Geological Survey, who reported a negligible content of scheelite.

In my opinion, the evidence presented suggests that the property has been sufficiently explored and no further work is warranted in search of roots to the known tungsten occurrence. The present exposures cannot be considered minable ore; the close spaced drilling proposed suggests to me that the applicant expects only very small bodies.

The cost of rehabilitation of No. 3 adit might be many times the estimate, as we have found in other rehabilitation jobs. It is

Copy retained 400

assumed that the workings behind the caved portal will require no rehabilitation. Possibly the Field Team has evidence to support this assumption, but such evidence is not presented.

Although I have long felt that the Metalline district might contain a replacement scheelite deposit similar to the important Emerald and Dodger ore bodies to the North in British Columbia, I doubt if the Little Noisy occurrence represents the fringe of such a deposit.

If DMEA wants to enter into an exploration contract, as recommended by the Field Team, despite the adverse nature of the present showings, I suggest that the proposed Stage 1 is sufficient and that the rehabilitation and core drilling be eliminated.

D. M. Lemmon

D. M. Lemmon

FILE COPY
SURNAME:

Rutledge
Martin

400

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

JUN 12 1953

Mr. E. A. Frick
Ione, Washington

Re: Docket No. DMEA 289½ - Tungsten
E. A. Frick
Little Noisy mine
Pend Oreille County, Washington

Dear Mr. Frick:

In processing your application for exploration assistance at the Little Noisy mine, we find that you have not submitted an Owner's Consent to Lien. Before we can proceed with the processing of the referenced application, this must be received.

It is inferred from your application that I. E. Boswick is also the owner of the Sulitelma #2 and Sulitelma #5 claims, which are adjacent to the Desdemona claim and that a one-half interest in each will be conveyed to you under the terms of the agreement on the Desdemona claim. If this is true, the description of property on the Consent to Lien form should list all three claims with the book and page numbers for each recorded location notice.

We, therefore, will hold the subject application in abeyance until six copies of an executed Owner's Consent to Lien are received.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

MDL 6-12-53

FARutledge:foc
6-12-53

Enclosure

cc: Docket
Code 400
FT. Reg. II
Adm. Reading File
R. W. Geehan, USBM
D. M. Lemmon, USGS
Operating Committee

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

June 2, 1953

WSM

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

Re: Docket No. DMEA-2894 (Tungsten)
Little Noisy Mine
Pend Oreille County, Washington

Dear Mr. Selfridge:

Enclosed are four copies of the field examination report with 5 attached maps on the subject mine by G. W. Fuller, U. S. Geological Survey, and W. S. Anderson, U. S. Bureau of Mines.

The presence of scheelite in some of the veins was not recognized when the Little Noisy mine was tested for lead and zinc ore many years ago. Samples cut by Fuller and Anderson indicate significant amounts of scheelite are present. A three-stage exploration program costing $33,060.00 (Government's share $25,395.00) is proposed to test extensions of the tungsten-bearing veins. Work in Stages II and III will be contingent on results of work in the preceding stages.

The Little Noisy mine is located about 6 miles southeast of the major zinc-lead limestone replacement ore deposits in the Metaline District of northeastern Washington. The veins exposed in the Little Noisy mine workings are in the Maitlen phyllite formation that underlies the Metaline limestone formation containing the zinc-lead ore deposits of the Metaline district. Vein structures are not uncommon in the Maitlen formation in Pend Oreille and Stevens Counties of Washington and in British Columbia a few miles to the north, and deposits of zinc and lead ore in this formation are now being worked at several properties.

If the proposed exploration program is successful in outlining a tungsten deposit at the Little Noisy mine, exploration for tungsten ore at other prospects in the Maitlen formation will be stimulated.

Cleared O C L.G.R.
6-12-53

Reviewed by
DMEA OPERATING COMMITTEE
6-12-53
(date)

The Field Team concurs with Fuller and Anderson in urging favorable consideration of the proposed exploration at the Little Noisy mine.

By DMEA Field Team, Region II

Harold Kirkemo

Harold Kirkemo, Acting Exec. Officer
(U. S. Geological Survey)

Eric Erickson

Eric Erickson, Acting Member
(U. S. Bureau of Mines)

Enclosures as indicated

cc: USBM (2)

EXHIBIT "A"

Description of Work

Stage I

Estimated time schedule 0 - 3 months

1. Crosscutting 30' on No. 4 level to intersect vein exposed in winze.

2. Drifting 100' on the vein.

3. Raising 60' on the vein.

Stage II. Contingent on Stage I

Estimated time schedule 3 months - 5 months

1. Rehabilitation of 170' of crosscut on the No. 3 level.

2. 1820 feet of diamond drilling from face of crosscut on No. 3 level.

Stage III. Contingent on Stage II

Estimated time schedule 5 - 9 months

1. Crosscutting 250' to intersect vein on No. 3 level.

2. Drifting 200' on vein.

Estimated Costs

~~(* Indicates Allowable Maximum)~~

Agreed Unit Costs

Stage I

Crosscutting	30' at $33/ft.	$ 990.00
Raising	60' at $33/ft.	1,980.00
Drifting	100' at $33/ft.	3.300.00
		$6,270.00

Stage II

Rehabilitation of 170' of crosscut at $6/ft.	$1,020.00
1820' of Diamond Drilling at $6/ft.	10,920.00
	$11,940.00

Stage III

Crosscutting 250' at $33/ft.	$ 8,250.00
Drifting 200' at $33/ft.	6,600.00
	$14,850.00

The Government will contribute to the costs of drifting, crosscutting, diamond drilling, and raising on the basis of these agreed estimated costs in lieu of actual costs. The rest of the described work will be contributed to by the Government on the basis of those actual costs specified in Article 6(a) of the contract form which are scheduled below:

Stage I

(f) New Buildings, Improvements and Installations

Compressor House & Storage Shed	$ 500.00

(g) Miscellaneous

20 assays at $5/each	$100.00

Stage II

10 assays at $5/each	$ 50.00

Stage III

30 assays at $5/each	$150.00

SUMMARY

TOTAL COST OF PROJECT

Stage I		
Crosscutting 30' at $33/ft.	$ 990.00	
Raising 60' at $33/ft.	1,980.00	
Drifting 100' at $33/ft	3,300.00	
Total Estimated Cost of Stage I		$ 6,270.00
Stage II		
Rehabilitation of 170' of crosscut at ~~$5~~ 6/ft. (Timber will be required for the full 170')	$ 1,020.00	
1820' of Diamond Drilling at $6.00/ft.	10,920.00	
Total Estimated Cost of Stage II		$11,940.00
Stage III		
Crosscutting 250' at $33/ft.	$ 8,250.00	
Drifting 200' at $33/ft.	6,600.00	
Total Estimated Cost of Stage III		$14,850.00
Total Estimated Cost of Stage I, II, & III		$33,060.00
Assays 60 at $5/each	$ 300.00	
Compressor House & Storage Shed	500.00	800.00
Total Estimated Cost		$33,860.00
Government Part at 75 percent		$25,395.00

BREAKDOWN OF COSTS

Assuming drifting & crosscutting is on a one-shift basis with an average advance of 4'/shift for a 26-day month. The drifts and crosscuts will be driven 5' X 7' in the clear.

Labor & Supervision for One Shift	Cost/Foot
2 miners at $16/day	$ 8.00
10 percent workmens compensation, OAB unemployment insurance	.80
8 1/3 percent Overtime	.67
Supervision, Engineering, Bookkeeping, etc. at $250/month	2.40
Total	11.87

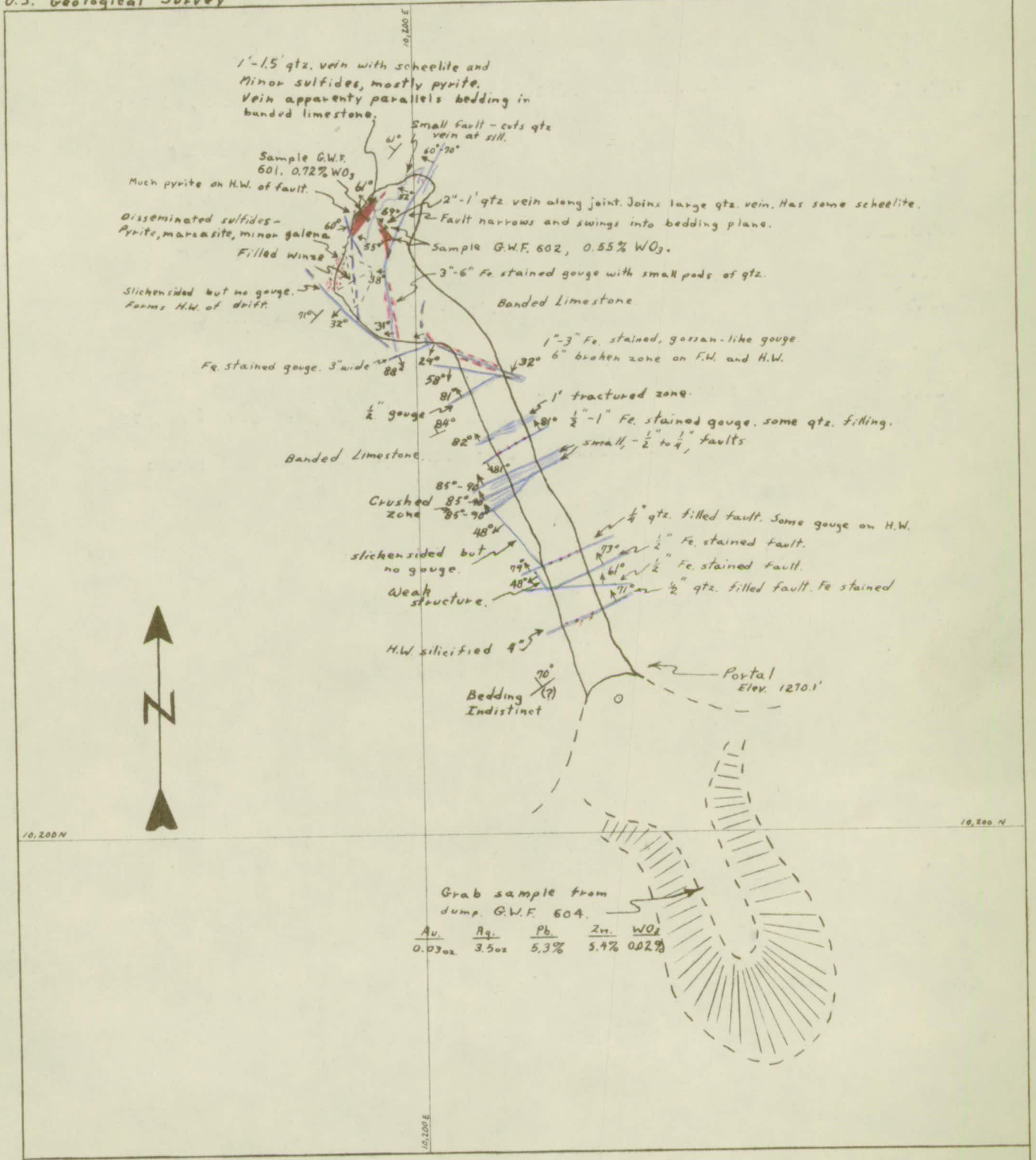
Operating Equipment - Rental Basis	Cost/Foot
320 CFM Compressor at $300/month	$ 2.88
2 Drifters at $75/each/month	1.44
1 Eimco mucking machine at $250/month	2.40
Total	6.72

Supplies	
Fuse 200'/4' round at $13/1000'	.52
Caps 20/4' round at $21.60/1000'	.11
Powder 15 lb. 1 ft. at $21.75/100 lbs.	3.26
Steel & Bits assume	1.50
Roil 20 lbs. at $7.80/100 lbs.	1.03
Spikes Bolts and Fish Plates	.15
Air Hose 50' at $98/100') Water Hose 50' at $90/100')	.10
Air 2" pipe at $48.63/100') Water 1" pipe at $16/100')	.55

Small Tools & Misc. Equip. $150.00	.23
Maintenance & Repairs	1.50
Freight Assume $300.00	.45
Jeep Operating Costs - assume	.30
Fuel & Oil for Compressor, Oil for Machines	1.50
Total	$ 11.20
Recapitulation Cost of breaking & Mucking bald headings	Cost/Foot
Labor & Supervision	$ 11.87
Operating Equipment	6.72
Supplies	11.20
	$ 29.79
Plus 10 percent Contingencies	2.98
$32.77--Say $33.00/ft.	$ 32.77
Assay 60 Samples at $5/each	$300.00
Construction of Storage House & Compressor Shed	$500.00

U.S. Geological Survey

Docket No. DMEA 2894 (tungsten)



Number 4 Level

Little Noisy Mine, Pend Oreille Co., Washington

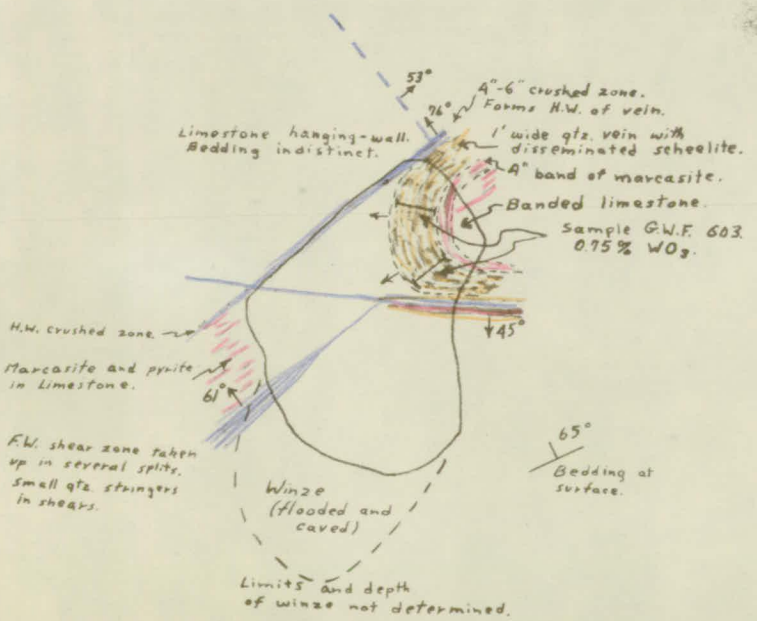
Scale 1" = 20'

Tape and brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M. April, 1953.

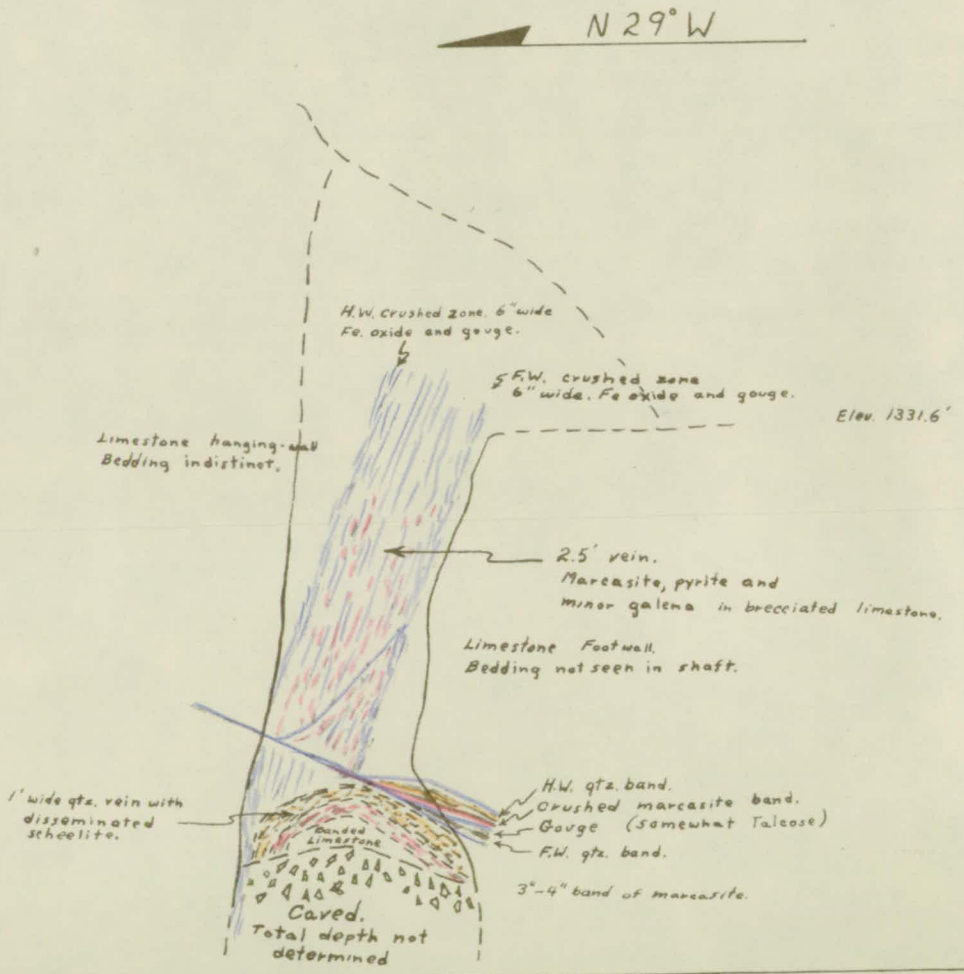
Plate 3

U.S. Geological Survey

Docket No. DMEA 2894 (tungsten)



Plan drawn 10' below shaft collar



Section along NE wall of shaft looking N.61°E.

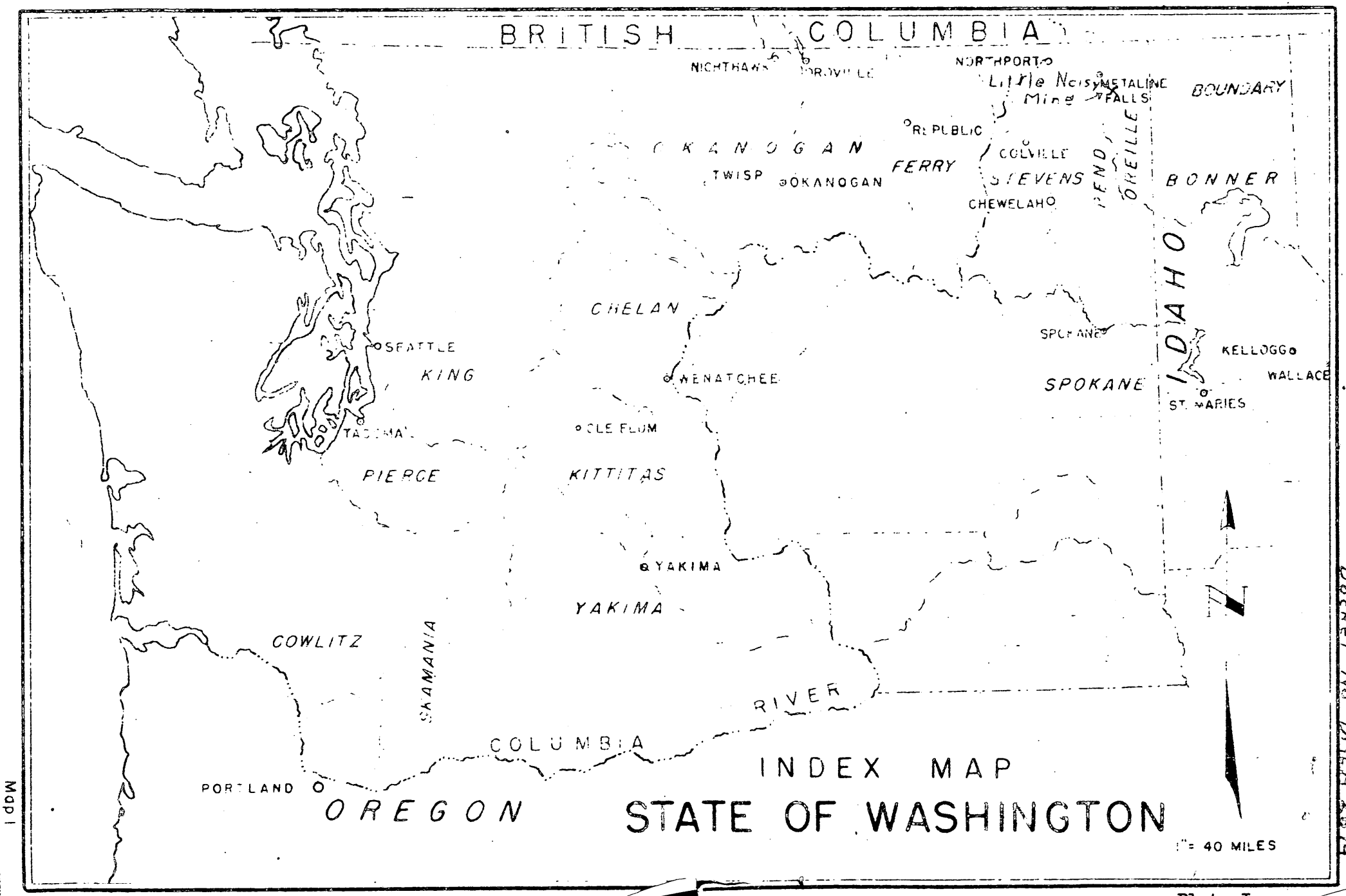
Plan and Section - Inclined Shaft

Little Noisy Mine, Pend Oreille Co., Washington

Scale 1" = 5'

Tape and brunton survey by G.W. Fuller, U.S.G.S. and W.S. Anderson, U.S.B.M. April 1953.

Plate 4



Map I

Docket No. DMEA 2814

Plate I

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No._____

Commodity_____

Total Amount_____

Govt. Participation_____

1. Name and Address of Applicant_____

_____

2. Location of Property_____

_____

_____

3. Mineral or metal_____ Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good_____

b) Poor_____

c) None_____

d) Don't know—needs field examination_____

e) Is there an alternative and favorable project?_____
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated?_____
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?_____

Does the lease have sufficient time to run to cover a future

productive period?_____

*question numbers are those of MF-103

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

May 21, 1953

Memorandum

To: DMEA, Field Team Region II

From: G. W. Fuller, Geologist, U. S. Geological Survey, and
W. S. Anderson, Mining Engineer. U. S. Bureau of Mines

Subject: Docket No. DMEA-2894 (tungsten), Field examination of the Little Noisy Mine, Pend Oreille County, Washington

INTRODUCTION

The field examination was made April 2, 1953. The accessible workings were mapped and a tape and brunton traverse was made to connect the various workings. Four samples were taken. Mr. E. A. Frick was subsequently contacted in regard to the proposed work on April 29, 1953.

APPLICANT

The applicant is Mr. E. A. Frick of Ione, Washington.

RECOMMENDATIONS

It is recommended that the application be favorably considered. In the accessible workings two scheelite-bearing quartz veins, whose tungsten contents appear promising, are exposed. In the inaccessible workings several large quartz veins are reported, but their tungsten contents have never been determined. Exploration at the property in the past was primarily designed to test sulfide-bearing structures indirectly associated with the scheelite-bearing quartz veins. The applicant's proposed exploration program is modest but considered adequate to fully test the tungsten potentialities of the area. Stages II and III of the program should be dependent upon the continuity of size and tungsten content of the veins explored in the initial stage.

LOCATION

The Little Noisy Mine is situated about half a mile above the mouth of west flowing Noisy Creek on the north side in section 17, T. 38 N., R. 44 E., Pend Oreille County, Washington. The mine is on the south slope of Hall Mountain, which rises precipitously from Sullivan Lake to the west.

The mine is reached by about three-quarters of a mile of very steep, rough, mountain road which joins a secondary, graveled

highway midway between Metaline Falls, which is 6 miles to the northwest, and Ione, which is 7 miles to the southwest.

The road from the highway to the mine is now impassable to vehicles because of slides and loose rock. However, a minor amount of work would make the property accessible to four-wheel drive vehicles. It is possible that a moderate amount of snow removal work during the winter months would keep this road open all year. The secondary highway is maintained by the county and is open throughout the year.

COMPETENCY OF APPLICANT

Mr. Frick, a graduate mining engineer, has been active in the mining industry for the past 18 years as an engineer and in supervisory positions. He is currently employed by the American Lead, Zinc and Smelting Company at Metaline Falls, Washington. The applicant is believed competent, both financially and technically, to initiate and maintain an exploration program.

OWNERSHIP

Mr. Frick, the applicant, has an agreement with Mr. I. E. Boswick of Ione, Washington, executed April 3, 1952, which states that if Mr. Frick expends the sum of $10,000.00 in labor and supplies on the property in a two year period, Mr. Boswick will convey an undivided half interest in the property to Mr. Frick. A consent to lien can be obtained from the owner, Mr. I. E. Boswick of Ione, Washington.

DESCRIPTION OF THE PROPERTY

Surface facilities at the property consist of one log cabin, now in somewhat dilapidated condition.

Mine workings consist of the following: one accessible adit, 75 feet long; one 69° inclined shaft of unknown depth but accessible for 12 feet; and three inaccessible adits of unknown length but reported to contain workings of 190 feet, 460 feet and 940 feet respectively. (See Plate II.)

GEOLOGY

The country rock in the area is composed of phyllites and interbedded hornfelsic limestones of the Maitlen phyllite formation of Cambrian age. The bedding in the area generally strikes N. 40°-70° E. and dips 60°-80° to the northwest. A small granitic intrusion has been reported in the area by Park and Cannon. 1/ No exposures of this granitic mass were observed during the subject examination because of snow; however, granitic material was observed in the dump of No. 2 level. The granite-phyllite contact is reported to have been penetrated in both No. 2 and No. 3 levels. (See Plate II.)

1/ Park and Cannon, Geology and Ore Deposits of the Metaline Quadrangle, Washington, Geological Survey Professional Paper 202, 1943.

The accessible workings at the property consist of an inclined shaft and the No. 4 adit. Both of these were intended to explore a large, sulfide-bearing structure striking approximately N. 61° E. and dipping 69° to the northwest. The inclined shaft, now accessible for 12 feet, was sunk to an unknown depth on this structure. The No. 4 level was driven northwest for 75 feet and 61 feet lower than the shaft collar to crosscut the structure at that elevation; however, this adit was discontinued short of its objective. Exposed in both the shaft and No. 4 level are quartz pods or veins containing disseminated scheelite. The relationship between individual veins or pods is not known.

The quartz vein exposed in No. 4 level ranges from 2 inches to 1.5 feet in width. (See Plate III.) Chip sample, GWF-601, 1.5 feet wide across this vein, assayed 0.72 percent tungsten. This vein has very irregular walls but is essentially parallel to the bedding, striking N. 42° E. and dipping 61° to the northwest. It is exposed for a strike length of about 10 feet before pinching out. From the nature of the observed termination, the structure is believed to be more pod-like than vein-like.

A small 2- to 6-inch split of quartz-bearing scheelite, which apparently follows a joint plane, extends at right angles from the main vein across the back of the drift. Chip sample, GWF-602, was cut across this split and assayed 0.55 percent tungsten. A 15-foot long composite sample, cut along this split and across the main vein, assayed: 0.16 percent Cu, 0.24 percent Pb, 0.10 percent Zn, 0.06 ounce Au, 1.64 ounces Ag, and 0.41 percent WO_3. Other structures in this adit consist of flat faults, generally striking N. 15°-30° W. and dipping 29°-38° to the west. These faults apparently carried, in places, 8 to 10 inches of sulfides and oxidized vein material. A grab sample, GWF-604, of sulfide-bearing material from the No. 4 level dump, assayed: 0.03 ounce per ton Au, 3.5 ounces per ton Ag, 5.3 percent Pb, 5.4 percent Zn, and 0.02 percent WO_3. This material is assumed to have been mined from the now filled winze on the major flat-lying structure.

The inclined shaft exposes the large sulfide-bearing structure to a depth of 12 feet. (See Plate IV.) This structure is 2.5 feet wide in the shaft and is composed of brecciated limestone and disseminated sulfides, mostly marcasite and pyrite with minor amounts of galena and sphalerite. A 6-inch fault, with no apparent displacement, striking N. 85° W. and dipping 45° to the south, cuts the main structure 10 feet below the shaft collar. A sample taken across a one-foot wide quartz vein, containing disseminated scheelite, assayed 0.75 percent tungsten. This quartz vein may continue to depth down the hanging wall of the large vein structure; however, no evidence of it or the fault is seen at the projected intersection of the fault in the No. 4 level. A change in the attitude of this fault probably occurs and it may coincide with one of the flat-lying structures seen near the face of No. 4 level.

The lower levels, No's. 1, 2, and 3, were inaccessible at the time of the examination; however, tunnels No. 1 and No. 3 are described briefly in Park and Cannon's report. Tunnel No. 1 is also described in a report written in 1944 by John R. Cooper of the U. S.

Geological Survey shortly after the discovery of scheelite at the Little Noisy Mine.

As can be seen from the composite map (see Plate II), the lower adits apparently contain much larger quartz structures than are seen in the No. 4 level and the inclined shaft. This observation is supported by Park and Cannon's description which reports ". . . . irregularly distributed lenses of quartz, with a maximum observed width of 4 feet." . . . . and "More quartz is present here than in the upper adit." The first quotation refers to No. 3 adit and the second to No. 1 and No. 3 adits respectively.

Cooper's report describes the quartz vein, in what is assumed to be the No. 1 adit, as being 8 to 18 inches wide but containing negligible amounts of scheelite. No assay data is included in Cooper's report; however, his estimates of the tungsten contents of the veins sampled by the Field Team examiners are quite close to the assay results received by the examiners. At the time of Park and Cannon's investigation, the presence of scheelite at the Little Noisy mine was not known. As a result, the No. 3 tunnel, in which the largest quartz veins are reported, has never been lamped for the presence of scheelite, so far as is known.

PROPOSED EXPLORATION PROGRAM

The applicant's exploration program is composed of three stages. Stage I will consist of the continuation of the No. 4 level crosscut northwestward to the downward projection of the large sulfide-bearing structure and the possible extension of the scheelite-bearing quartz vein on the hanging wall of the larger structure. The first few rounds will also disclose much concerning the nature of the quartz vein now exposed in the face of the No. 4 level. One hundred feet of drifting and 60 feet of raising on the vein will follow the intersection of the structures exposed in the inclined shaft. Stage I is expected to provide considerable information concerning the vertical and horizontal extensions of the scheelite-bearing quartz veins now exposed. Such information will be of value in determining the course of continued exploration work.

Stage II will be contingent upon results gained in Stage I. It will consist of 170 feet of rehabilitation of the No. 3 level, followed by 1820 feet (8 holes) of diamond drilling. Rehabilitation of the No. 3 level is planned to serve two purposes: (1) An opportunity to observe and sample the reported quartz veins on that level; and (2) the establishment of suitably located diamond drilling stations.

Stage III will be contingent upon the results of the diamond drilling from the No. 3 level and will consist of 250 feet of crosscutting to the vein structure and 200 feet of drifting on the vein.

A beneficiation test on a sample of ore from the Little Noisy mine, submitted by Mr. Frick, has been run by the U. S. Bureau of Mines, Mineral Dressing Section, Albany, Oregon. Their tests

indicate that a high-grade tungsten concentrate of 59.0 percent trioxide with 60.6 percent recovery, a low-grade tungsten concentrate of 14.1 percent tungsten trioxide with 20.7 percent recovery, and a sulfide concentrate of 0.70 ounce gold and 4.8 ounces silver per ton, would be feasible from a process combining gravity, flotation and magnetic separation methods of concentration.

An estimate of the costs of the proposed program and a specimen Exhibit "A" are attached.

Enclosures

cc: USBM (5)
USGS (SRO)
Docket
Fuller
DMEA (4)

400

FILE COPY
SURNAME:

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

Rutledge
Martin
Selfridge.

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

FEB 20 1953

J.C. 2/20/53

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Noisey Creek Mine
Pend Oreille County, Washington

Dear Mr. Weissenborn:

This will acknowledge receipt of the subject docket and your letter of February 12, 1953, in which you state that a field examination has been tentatively scheduled. We will, therefore, hold this application in abeyance until the report and recommendations by the field team are received.

Sincerely yours,

George C. Selfridge (NB)

Chairman, Operating Committee

Approved:

J. H. Hedges (NB)
Member, Bureau of Mines

T. P. Thayer (NB)
Member, Geological Survey

cc: Docket
Code 400
Field Team, Region 2
Admn. Read. File
Operating Committee
R. W. Geehan, USBM
D. M. Lemmon, USGS

FARutledge/hhb
2/19/53

400

FILE COPY
SURNAME:

Rutledge
Martin
Hedges
Traxler
Stoffregen

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

FEB 20 1953

Mr. E. A. Frick
Ione
Washington

J.C. 2/20/53

Re: Docket No. DMEA 2894 - Tungsten
E. A. Frick
Noisey Creek Mine
Pend Oreille County, Washington

Dear Mr. Frick:

Your application for assistance in exploring the referenced property has been reviewed by the Iron and Ferro-Alloy Division of the Defense Minerals Exploration Administration and has been referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington, for a field examination.

The Regional Office will contact you at an early date in regard to the examination of your property. Any assistance that you can render the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

cc: Docket
Field Team, Region 2
Code 400
Admn. Read. File
R. W. Geehan, USBM
D. M. Lemmon, USGS

FARutledge/hhb
2/19/53

February 18, 1953

Mr. E. A. Frick
Ione, Washington

DMEA-2894
Subject: Exploration Assistance
Re: Little Noisey

My dear Mr. Frick:

The receipt of your application dated February 9, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2894 and referred to the Iron and Ferro-Alloys Division.

Kindly refer to DMEA-2894 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

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

February 18, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II.

DMEA-2894 E. A. Frick

R. E. ADAMS

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

33980

dmea 2894

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

February 12, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1953

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

Dear Mr. Selfridge:

Enclosed are three copies of an application for a DMEA contract submitted by Mr. E. A. Frick of Ione, Washington. The application concerns a lead-tungsten property in Pend Oreille County, Washington. One copy of the application has been retained at this office to facilitate a field examination.

The application is not too clearly prepared; however, rather than to hold it at this office we are submitting it in its present state. We will make the field examination in the near future and will at that time attempt to clear up any points not adequately described in this application.

Sincerely yours,

Thor H. Kiilsgaard

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

Enclosure

cc: USBM (2)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
FEB 11 1953
U. S. G. S.
SPOKANE, WASH.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1953

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2894
Metal or Mineral
Date Received 2-16-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: E.A. Frick
Ione, Wash.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Three unpatented claims namely the Desdemona, Sulitelma #2 and Sulitelma #5 located near the center of Section 17, T. 38 N. R. 43 E. W. M.

(*b*) State any mine name by which the property is known. Little Noisey, Noisey Creek.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
See agreement

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property. Agreement inclosed

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Sulitelma #5-Vol. 5 Page 74 Book of Quartz Records
Sulitelma #2 Vol. 5 Page 73 Book of Quartz Records

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Scheelite

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. None

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project. None

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated Feb. 9, 1958, 195...

E. A. Frick
(Applicant)

By.....

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—66551-1

(a) Three drifts, total length approximately 1280 feet. Only one (#1, see plan) accessible. One shaft 35 feet deep, accessible for 20 feet down.

(b) No past or current production; no ore reserve.

(c) Vein deposit in which is included the following minerals as shown in Petrographic Analysis made by United States Bureau of Mines, Albany, Oregon, in Metallurgical Report on Frick Tungsten:

Over 10% Fe, Si, Ca.
5%-10% Al.
1%-5% Mg.
0.1%-1% Pb. Mn. W.
0.01%-0.1% As. Bi, Co, Ag, Cr, Ni, Ti, Mo, Zi, B, Ba
0.001-0.01% none

The vein is in a limestone bed in the Matlin Phillite near a granite intrusion. See report of L. Chichester of United States Bureau of Mines on this property which he made recently. I wish to explore this vein because the vein outcrop shows tungsten, the No. 1 cross cut (see map) cuts the vein and shows a width of 5 feet of tungsten ore. The No. 2 crosscut (see Map) has not been accessible since it was known tungsten occurred in this area. It was not driven in far enough to intersect the vein exposed in #1 crosscut, but there are tungsten showings on the dump. It has been reported to me by men who worked in the No. 3 crosscut, now also inaccessible, that there were good tungsten showings present, although it never intersected the vein exposed in No. 1 crosscut. There are tungsten showings on No. 3 crosscut dump.

(d) The property is located about one mile from a good graded

gravel road. The road from the main road to the property is a mine to market road, quite steep. Under certain conditions heavy trucks or 4-wheel drive vehicles are all that can make it. It is eleven miles from shipping, supply and residence points.

(e) It is located in the Metaline Mining District. Manpower, materials, supplies and equipment are available. Ample water flows by portal of No. 2 and No. 3 crosscuts. There is a Public Utility District power line four miles distant. I have been informed by officials of the District that power would be available when needed.

5. (b) The proposed work falls into three stages:

Stage 1.

To rehabilitate the first 170 feet of No. 2 crosscut which is in overburden and needs re-timbering, cleaning up, track and air-line.

Stage 2.

Installing 550 feet of 2 inch air line continuing from line installed in Stage 1 to face of crosscut, for diamond drilling purposes. Diamond drilling from face of No. 2 Crosscut at various angles (see maps) to intersect the vein exposed in No. 1 crosscut.

Stage 3.

If the diamond drilling proves satisfactory I wish to continue crosscut No. 2 until it intersects the vein a distance at approximately 80 feet and then drift 100 feet in each direction on the vein. Before this drifting can be done the track must be put in, continuing from track installed in Stage 1 to face of No. 2 crosscut.

(c) The work will start as soon as weather permits in the spring, and will be completed within nine months after actual work starts.

(d) The applicant is a graduate mining engineer and has been actively engaged in engineering and supervision in mines since his graduation in 1935. Has held positions as mine superintendent, chief engineer, and is now employed by American Zinc, Lead & Smelting Company as assistant to the Western Geologist. The applicant and person who will supervise the operation are one and the same.

STAGE I.

Rehabilitate 170 foot Crosscut.
(following based on 15 feet per 8-hour shift)

Labor:

Two men timbering, $32.00 per day	$ 2.16 per ft.	
Two men framing timbers, $32.00 per day	2.16 " "	
Supervision, bookkeeping, engineering, use of jeep	1.00 " "	
	5.32 " "	
Old age benefits, industrial insurance (10%)	.53 " "	
Total Labor		$5.85

Material:

Timber--250 board feet/set @ $65.00 per M	3.25 per ft.	
50 Board feet/foot drift		
2" pipe	.45 " "	
20# rail 18" gauge 200' track needed so it will go out on dump; ties, spikes, etc.	2.30 " "	
Total Material		$6.00
Total Labor and Materials		$ 11.85

170 feet @ $11.85 per foot, $2014.50

STAGE II.

1620 feet Diamond Drilling and installing 550 feet 2" air line from end of line put in, in Stage I.

550 feet of 2" pipe for air line	$247.50
The remainder of Stage II	
Independent Contract	
1620 feet of Diamond Drilling @ $6.00 per ft.	9720.00
Total for Stage II	$9967.50

STAGE III.

Crosscut 80 feet
Drift 200 feet
280 feet 5' x 7' Tunnel. (Based on 4' per shift advance)

Labor:

2 miners at $16.00	$8.00 per ft.	
Old age benefits, industrial ins., 10%	.80 " "	
Over time, 8-1/3%	.70 " "	
Total Labor		$9.50

Materials:

Powder 15# per foot @ $21.75/100#	3.24 per ft.	
Caps 20/5# round @ $15.60/1000	.31 " "	
Fuse 200'/round @ $12.00/1000 ft.	2.20 " "	
Steel and bits	1.50 " "	
Pipe (water & air)	.65 " "	
Hose (water & air)	.25 " "	
Small tools and miscellaneous	1.25 " "	
Rail-20# rail, 18" gauge, spikes, ties	2.35 " "	
Total Materials		11.75

Equipment: (rental basis)
Based on 26-day month, 4' day shift.

320 C.F.M. Compressor, $300.00 per mo.	2.83 per ft.	
2 Drifters @ $75.00 ea. per mo.	1.41 " "	
1 Mucker @ $150.00 per mo.	1.41 " "	
Total for equipment rental		5.65

Fuel and oil for compressor, oil for machines	1.50
Supervision, engineering, jeep rental	2.50
Contingencies	3.10
Total per foot	$34.00

Total for 280 feet $9520.00

Before work outlined above in Stage III can be done, 410 feet of track must be put in connecting the track put in in Stage I and that provided for in Stage III.

410 feet track @ $2.35 per ft.	$963.50
Drifting	9520.00
Total for Stage III	$ 10483.50
Analytical work, 60 samples @ $3.00	180.00

TOTAL CONTRACT, $22,645.50

A G R E E M E N T

THIS AGREEMENT Made and entered into this 3rd day of April, 1952, by and between I. E. BOSWICK, a single man, of Ione, Washington, Party of the First Part, and E. A. FRICK, of Ione, Washington, Party of the Second Part, WITNESSETH:

WHEREAS The party of the first part is the owner of a certain unpatented lode mining claim in the Metaline Mining District, Pend Oreille County, Washington, known as the DESDEMONA; and

WHEREAS The part of the first part contemplates locating additional claims adjacent to the Desdemona; and

WHEREAS The party of the second part desires to acquire an undivided one-half interest in said Desdemona mining claim and an undivided one-half interest in such other adjacent claims as may be located by the party of the first part during the term of this agreement;

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES, and in consideration of the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

1. The party of the first part hereby gives and grants unto the party of the second part, the right, during a period of two years from date hereof, to enter upon, prospect, develop and mine the above described Desdemona mining claim.

2. The party of the first part agrees that if the party of the second part shall expend the sum of at least $10,000.00 for labor and supplies in prospecting and development work upon said claim during said period, he will convey an undivided one-half interest in said claim to the party of the second part, his heirs or assigns, by quit claim deed. Expenditures made by the party of the second part for machinery and equipment will not be considered in determining whether or not $10,000.00 has been expended for

prospecting and development work. The party of the second part shall furnish a detailed statement of his expenditures to the party of the first part within twenty (20) days after the close of each month during which he shall have done development work. Upon completion of the expenditure of $10,000.00 for prospecting and development work during the two-year period, the party of the first part will execute and deliver a deed as above provided. The net mill or smelter returns after deduction of transportation charges from ores removed in the performance of development work shall be divided and paid, one-half to the party of the first part, and one-half to the party of the second part.

3. The net income from any actual mining operations, as distinguished from development work performed during the said two-year period, shall be devided between the parties, one-half to the first party and one-half to the party of the second part.

4. It is understood and agreed that if the party of the first part shall locate any mining claims adjacent to the Desdemona claim during the term of this agreement, all of the terms and provisions of this agreement shall apply to such additional claims in the same manner as they apply to the Desdemona claim. In such case the party of the second part shall have the right to enter upon, prospect, develop and mine such additional claims during the term of this agreement, the $10,000.00 for prospecting and development work may be expended on any or all of the claims, and upon expenditure of the full sum of $10,000.00 for prospecting and development work during the two-year period, an undivided one-half interest in all of said claims shall be conveyed by quit claim deed to the party of the second part, his heirs or assigns.

5. It is further understood and agreed that if the party of the second part should locate any mining claims adjacent to the Desdemona claim, he will forthwith convey an undivided one-half interest in such claims to the party of the first part.

6. The party of the second part agrees that during the term of this agreement he will perform the annual assessment work required to be performed in order to hold the claims, and will file the proper affidavits with respect thereto.

IN WITNESS WHEREOF The parties hereto have hereunto set their hands and seals the day and year first above written.

/s/ I. E. BOSWICK

Party of the First Part

/s/ E. A. FRICK

Party of the Second Part

STATE OF WASHINGTON)
) ss
County of Pend Oreille)

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 3rd day of April, 1952, personally appeared before me I. E. BOSWICK, to me known to be the individual described in and who executed the within and foregoing instfument and acknowledged that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN Under my hand and official seal the day and year first above written.

(SEAL)

/s/ Lloyd W. Ek
Notary Public in and for the State of Washington, residing at Ione.

STATE OF WASHINGTON)
) ss
COUNTY of Pend Oreille)

I, the undersigned, a Notary Public in and for the State of Washington, do hereby certify that on this 3rd day of April, 1952, personally appeared before me E. A. FRICK, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

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

(SEAL)

/s/ Lloyd W. Ek
Notary Public in and for the State of Washington, residing at Ione.

DMCA 2894

DMCA 2894

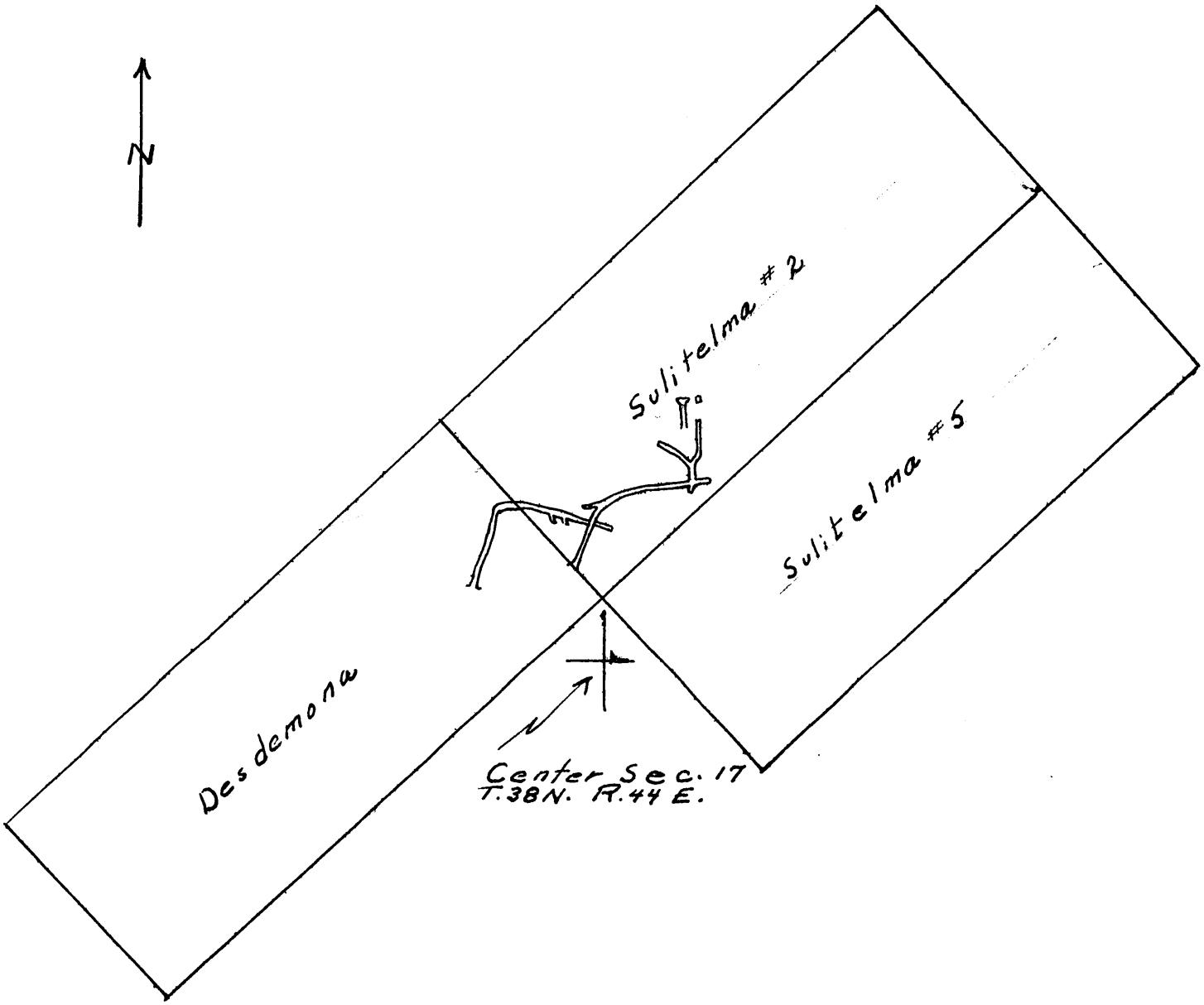
BUREAU OF MINES
1201 N. DIVISION STREET
SPOKANE 2, WASHINGTON

OFFICIAL BUSINESS

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

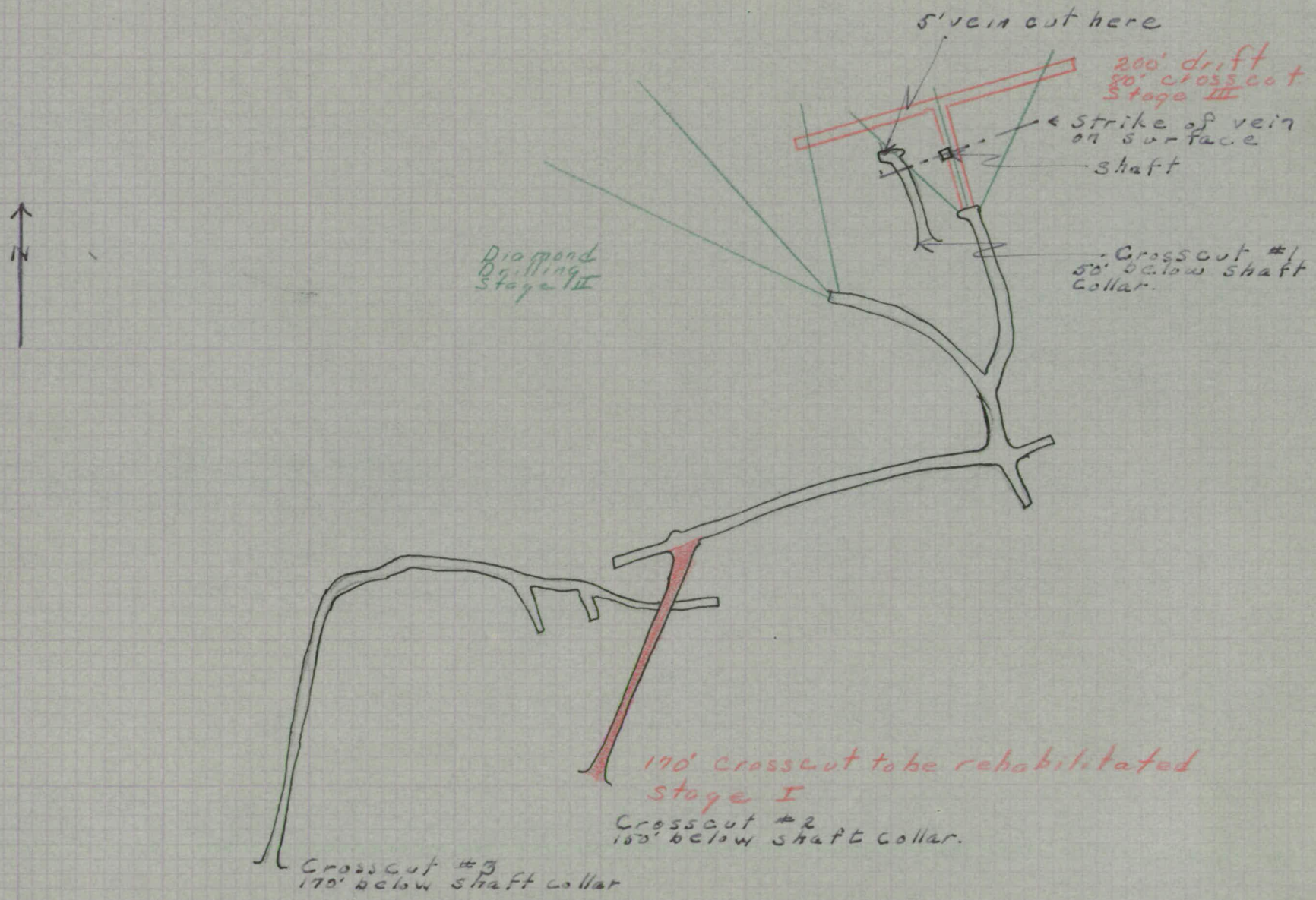
WASH.

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



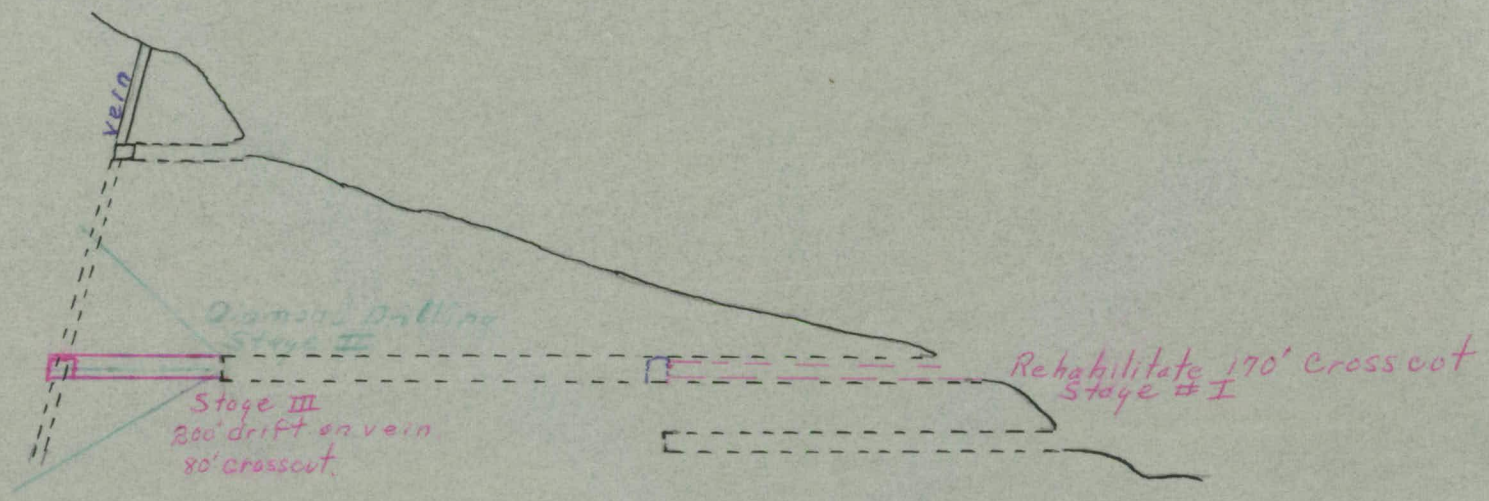
1" = 400'
Location of Property

DWB 2894



Plan
1" = 100'

Lmer 2894



1" = 100'
Section

dmea 2894

U.S. Geological Survey

Docket No. DMEA 2894 (tungsten)

Geologic Section A-A'
Looking N 67° E

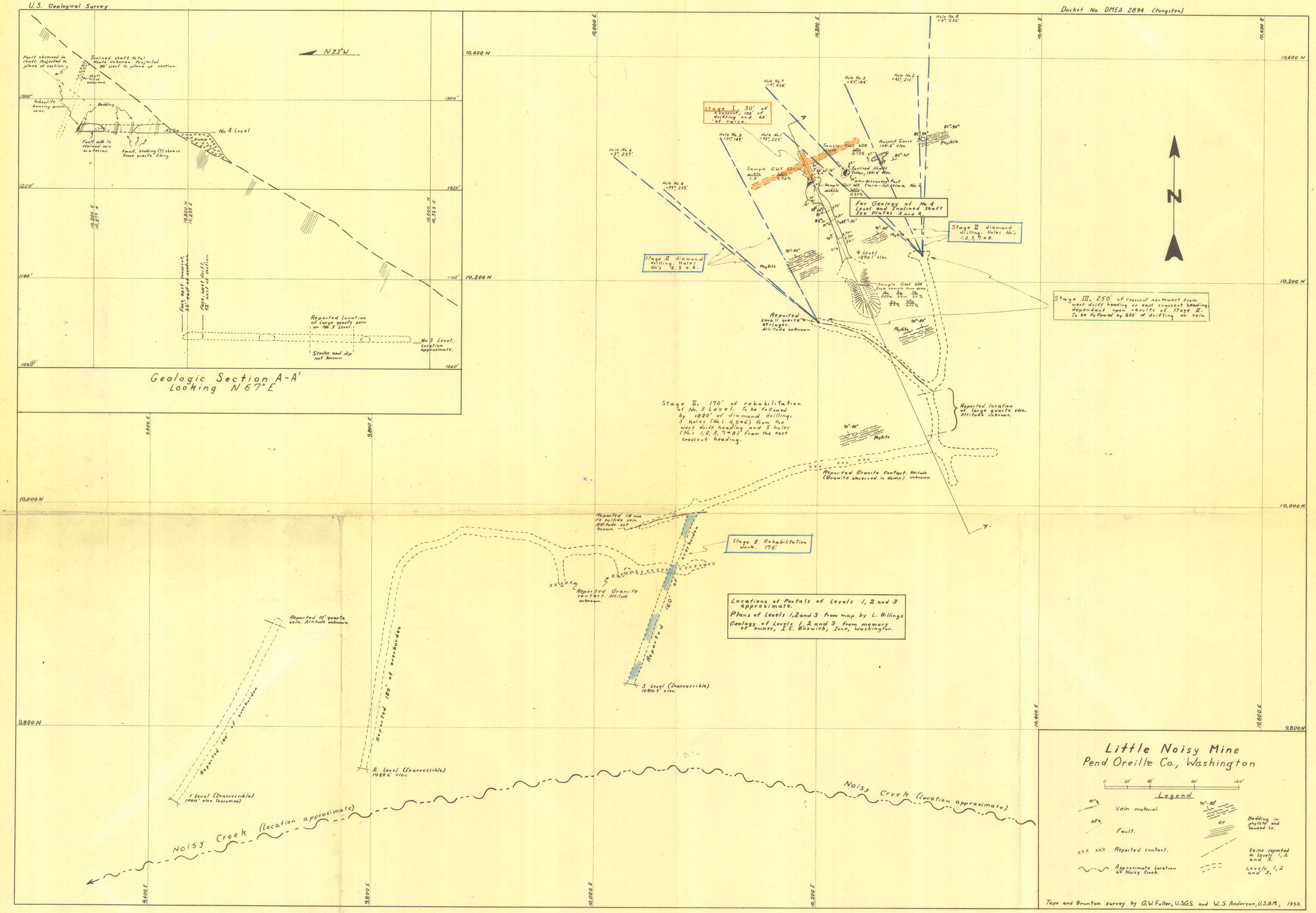
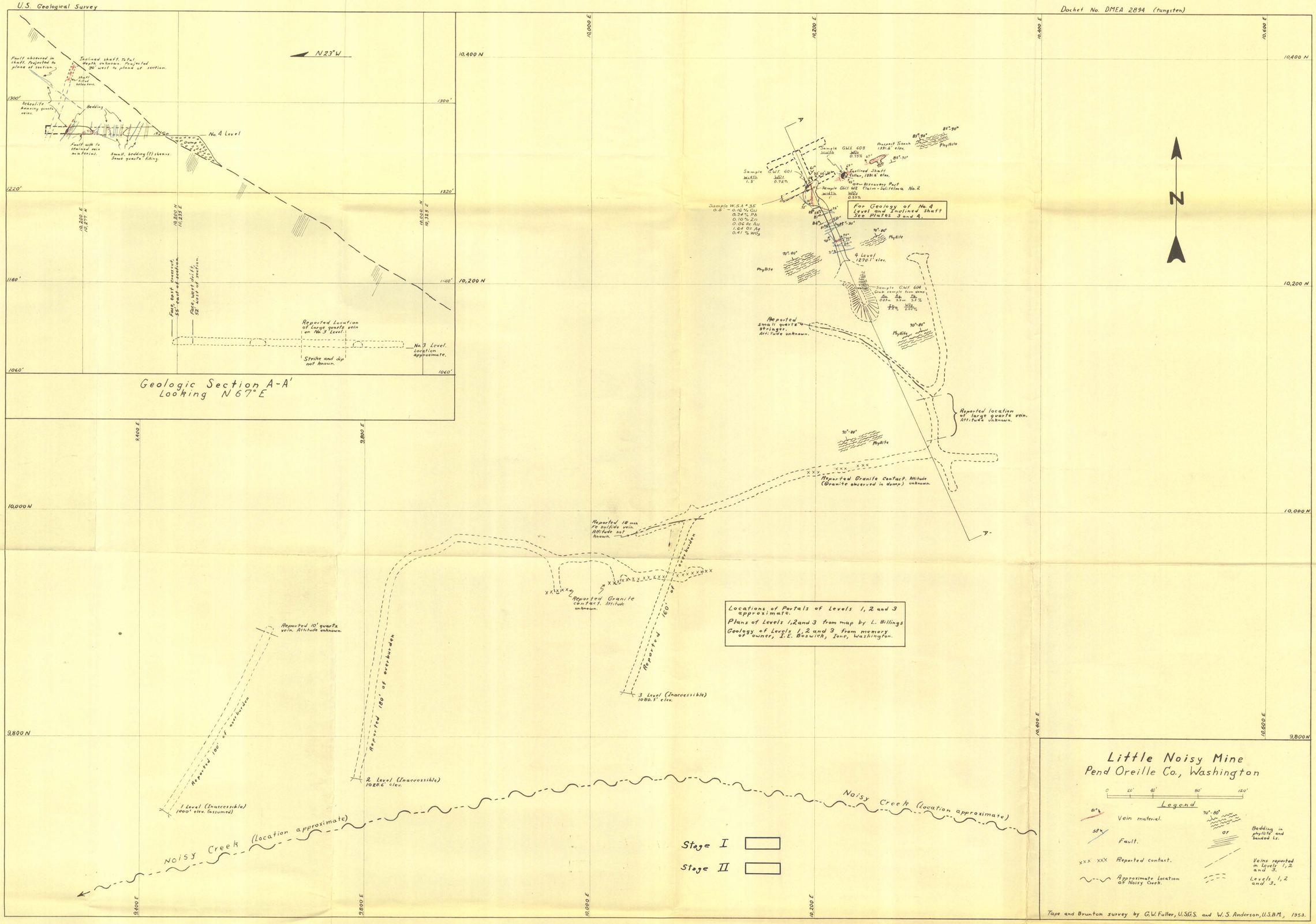


Plate 2

U.S. Geological Survey

Docket No. DMEA 2894 (tungsten)



~~PLATE II~~

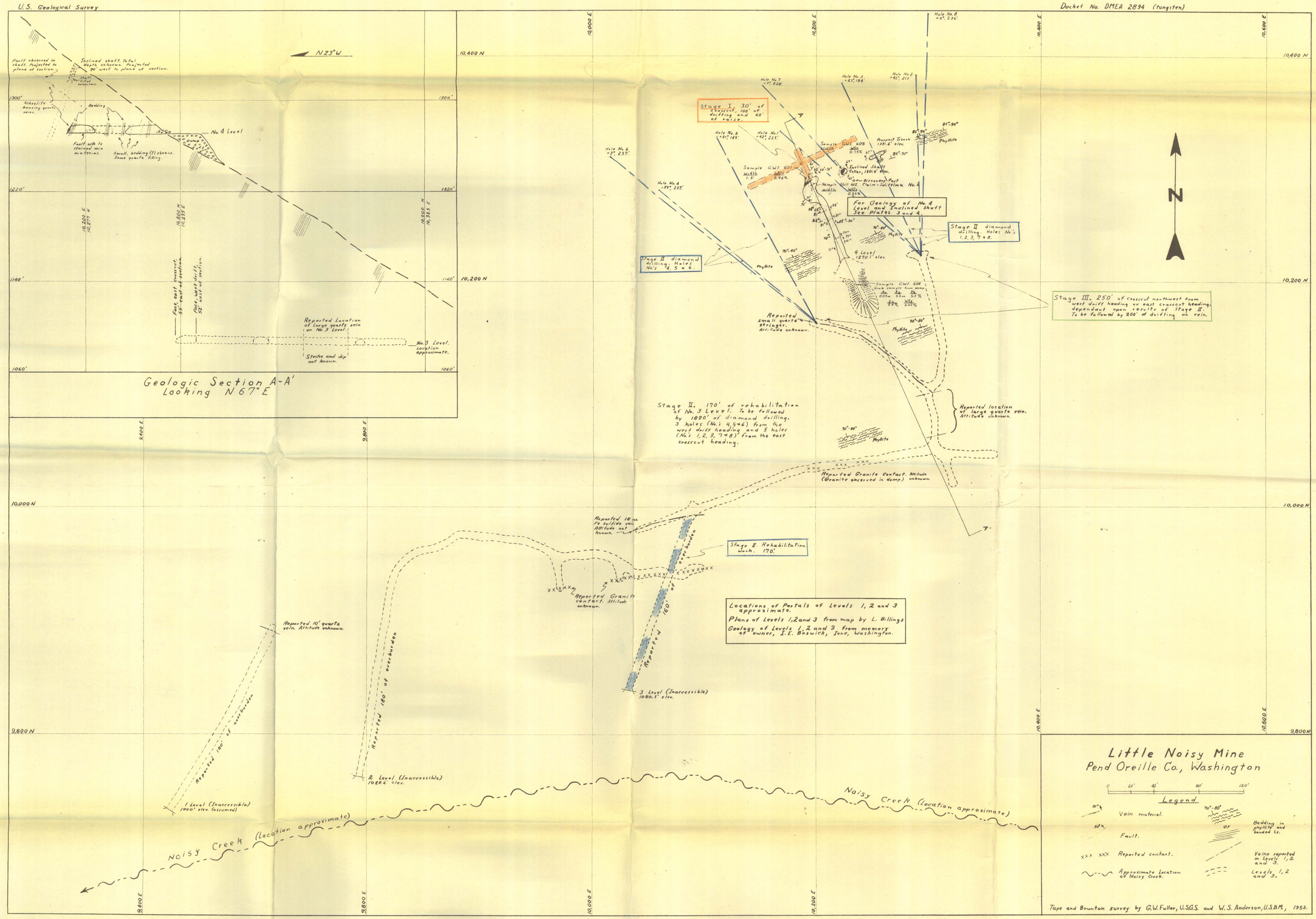


Plate 2

Plate 5