DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4543

1072

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
Contract Amendments (latest on top)
Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
Leases and assignments of leases
Application and attachments
(3) Envelope for maps

Right Side

Project summary
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report (Tab)
Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

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

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, British Columbia, Canada

pertaining to Exploration Project Contract No. Idm-21072, Docket No. DMA-543, dated April 2, 1957, without amendments, for the months of July 1957 to September 1957, inclusive, covering a project for the exploration of manganese, on property known as the Bear Creek Manganese Mine, located in Clallam County, State of Washington.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Office of the DMEA Field Team, and a determination of the reasonableness and propriety of the costs.

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of Fixed Unit Costs of units of work actually performed.

The review disclosed the following facts in regard to the amounts paid or to be paid the Contractor:

Total cost claimed by Operator		$12,735.00
Exceptions (schedule attached)		
By Finance Officer	$1,777.50	
By Audit	-0-	1,777.50
Total accepted cost claimed		$10,957.50

The contract calls for a 75 percent participation of accepted costs. Therefore, payments as follows are valid and proper:

Amount payable to Operator	$ 8,218.12
Amount Reimbursed	7,718.12
Balance due Operator	$ 500.00

G. A. Wagner, Auditor

February 11, 1958

Schedule of Expenditure

New Wellington Mines, Ltd. — **[illegible]-4543** — **[illegible]-31072**

Claimed on Final Form MF-104 dated September 1957

Bulldozing	80 hours @	$16.00	$ 1,280.00	
Drifting, crosscutting and raising	350 feet @	30.00	10,500.00	
Timbering	84 feet @	7.50	630.00	
Consultant	5 days @	50.00	250.00	
Accountant	5 days @	15.00	75.00	
Manganese Assays			None	
Total claimed				$12,735.00

Acceptable Claimed Costs

Bulldozing	80 hours @	$16.00	$ 1,280.00	
Drifting, crosscutting and raising	899 feet @	30.00	8,970.00	
Timbering	51 feet @	7.50	382.50	
Consultant	5 days @	50.00	250.00	
Accountant	5 days @	15.00	75.00	
Manganese Assays			None	
Total Accepted Costs				$10,957.50

Disallowed Prior to Audit by Finance Officer

Drifting, crosscutting and raising	51 feet @	$30.00	$ 1,530.00	
Timbering	33 feet @	7.50	247.50	
Total Disallowance				$ 1,777.50

G. A. Turner, Auditor

February 11, 1958

DMEA
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DATE | INITIALS | CODE

Government's copy

Porter
Sawyer
Hopkins
Martin
Chambers
Selfridge

TERMINATION AGREEMENT

It is agreed this 23d day of December, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and New Wellington Mines, Ltd., hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1072 (Docket No. DMEA-4543), dated April 2, 1957, hereinafter called the "Contract," that:

1. Effective September 30, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to October 1, 1957.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided for in this Termination Agreement.

5. All rights of the Government respecting Certification of Discovery or Development, percentage royalty and liens to secure the payment thereof, reports (including the preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

NEW WELLINGTON MINES, LTD.

By M. E. Oring
Title Secretary

MF-200A
(Rev. April 1956)

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1957

DATE	INITIALS	CODE

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4543	Manganese	**1072**	Clallam	Washington

It is agreed 2 APR 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and New Wellington Mines, Ltd. (N. P. L.), incorporated under the laws of the Province of British Columbia, Canada

whose mailing address is 640 Montreal Street, Victoria, British Columbia, Canada
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before July 1st 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $14,880.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $11,160.00, in accordance with the provisions of Articles 4 and 5.

(c) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances: See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreements of Vendors under Agreement of October 27, 1956.

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after certification of discovery or development, to inspect production operations and underground workings. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent) after the lapse of six months from the date the ore was extracted from the ground remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Administrator, Defense Minerals Exploration Administration

NEW WELLINGTON MINES, LTD.
(Operator)

By M E Oldring

Title Secretary - Dir.

I, M E Oldring, certify that I am the signing secretary of the corporation named as Operator herein; that C. D. Fletcher, who signed this contract on behalf of the Operator, was then Pres. & Man. - Dir. 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.

M E Oldring
C D Fletcher

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE : 1956—O-383069

Indritz 3/27/57
Lawyer 3/28/57
Chief, Sec. Off.
Martin 3/29/57
Talbert 3/29/57
Hughes
Johnson

EXPLORATION PROJECT CONTRACT
NEW WELLINGTON MINES, LTD.
DOCKET NO. DMEA-4543

ANNEX I

The land referred to in Article 2 of the contract form, as held by the Operator under an Agreement dated October 27, 1956, with Josephine Fox and Andrew Severyns, as executors of the Estate of Hugh Govan, Victor Allen Oberg and his wife, Mabel I. Oberg, and E. R. Gehrke, Jr. The land is shown on the attached sketch entitled "Fig. 1--Outline of Claims on Oberg Bear Creek Manganese Prospect, Clallam County, Washington", and consists of four unpatented lode mining claims, all located in section 24, T. 30 N., R. 12 W., W. M., Clallam County, Washington. The notices of location are recorded in the Office of the County Recorder of Clallam County, Washington, as follows:

Claim Name	Book No.	Page No.
Bear Creek No. 1	9	335
Bear Creek No. 2	9	336
Bear Creek No. 3	9	304
Bear Creek No. 4	9	335

The Consent to Lien and Subordination Agreements of the Vendors under the Agreement of October 27, 1956, are attached hereto.

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DATE	INITIALS	CODE

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D M E A
RECEIVED MAY 1957
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
NEW WELLINGTON MINES, LTD.
DOCKET NO. DMEA-4543

EXHIBIT A

Attached hereto are the following maps, which are made a part hereof:

Figure 1, entitled "Outline of Claims on Oberg Bear Creek Manganese Prospect, Clallam County, Washington."

Figure 2, entitled "Bear Creek Mine, Clallam County, Wash."

Description of the Work

1. With a D-8 Bulldozer or equivalent, bulldoze an access road about one-half mile in length from logging road to site of proposed adit and prepare adit site.

2. From the lowest exposed point on the structure as shown on Fig. 2, drift northeasterly along the structure not to exceed 300 feet.

3. From a point or points (approximately as shown on Fig. 2) as agreed to by the Government and the Operator, crosscut in either direction and/or raise not to exceed 50 feet. If agreed to by the Government and the Operator, part of the 300 feet allowed for drifting may be used, in lieu of drifting, as additional footage for crosscutting or raising.

4. The drift and any crosscuts shall be timbered as necessary and shall not be less than 5 feet by 7 feet in the clear. Any raise shall be two compartment and not be less than 6 feet by 8 feet in rock section.

5. Mineralized zones shall be sampled and assayed for manganese.

Estimated Cost of the Project

Fixed Unit Costs

Bulldozing 80 hours @ $16.00/hr.	$ 1,280.00
Drifting, crosscutting and/or raising 350 feet @ $30.00/ft.	10,500.00
Timbering drifts or crosscuts, 350 feet @ $7.50/ft.	2,625.00

Consultant, 5 days @ $50.00/day	$250.00	
Accountant, 5 days @ $15.00/day	75.00	
75 assays for manganese at $2.00/ea. assay	150.00	
Estimated Total Cost of Project		$14,880.00
Government Participation at 75 percent		$11,160.00

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator New Wellington Mines, Ltd.
Docket No. DMEA-4543 (N.P.L.)
Contract No. Idm-E 1072
Contract Date 2 APR 1957

RECEIVED MAY 24 1957 D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Clallam State of Washington, described as follows: 2/

Bear Creek Mining Claim #1	Book No. 9	Page No. 335
Bear Creek Mining Claim #2	Book No. 9	Page No. 336
Bear Creek Mining Claim #3	Book No. 9	Page No. 304
Bear Creek Mining Claim #4	Book No. 9	Page No. 335

Recorded in Office of Recorder, Clallam County, Washington

All located in Section 24 T. 30 N., R. 12 W., W. M., Clallam County, Washington

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

NONE

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

2/ 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 Oct. 27, 1956, 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.

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: NONE (State "None" or "See Annex No.____")

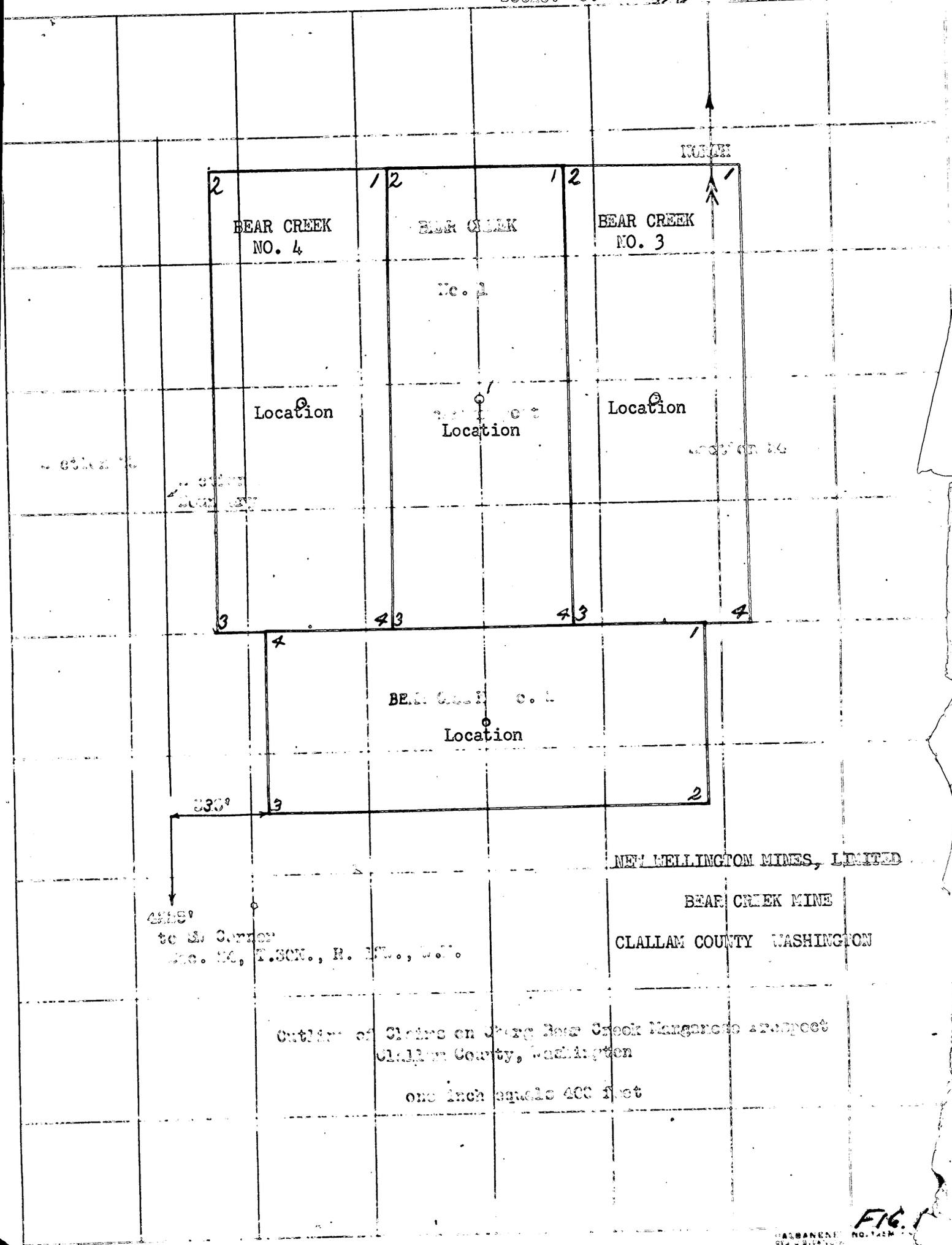
Dated this 16th day of April, 1957.

E. R. Gehrke Jr.	[Seal]	635 Marine Dr. Ft. Angeles	[Address]
Victor A. Oberg	[Seal]	711 East 6 St Ft Angeles	[Address]
Mabel L. Oberg	[Seal]	711 East 6th St Ft Angeles	[Address]
Estate of Hugh Govan	[Seal]	P.O. Box 308 Port Angeles	[Address]
By Andrew Devereyns	[Seal]		[Address]
Josephine Fox Executors	[Seal]		[Address]

I, M. E. Oldring certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that C. D. Fletcher who signed this agreement was then President (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

M. E. Oldring
Sec-Dir. [Corporate Seal]

Docket No. 2 [illegible]4543 (Manganese)

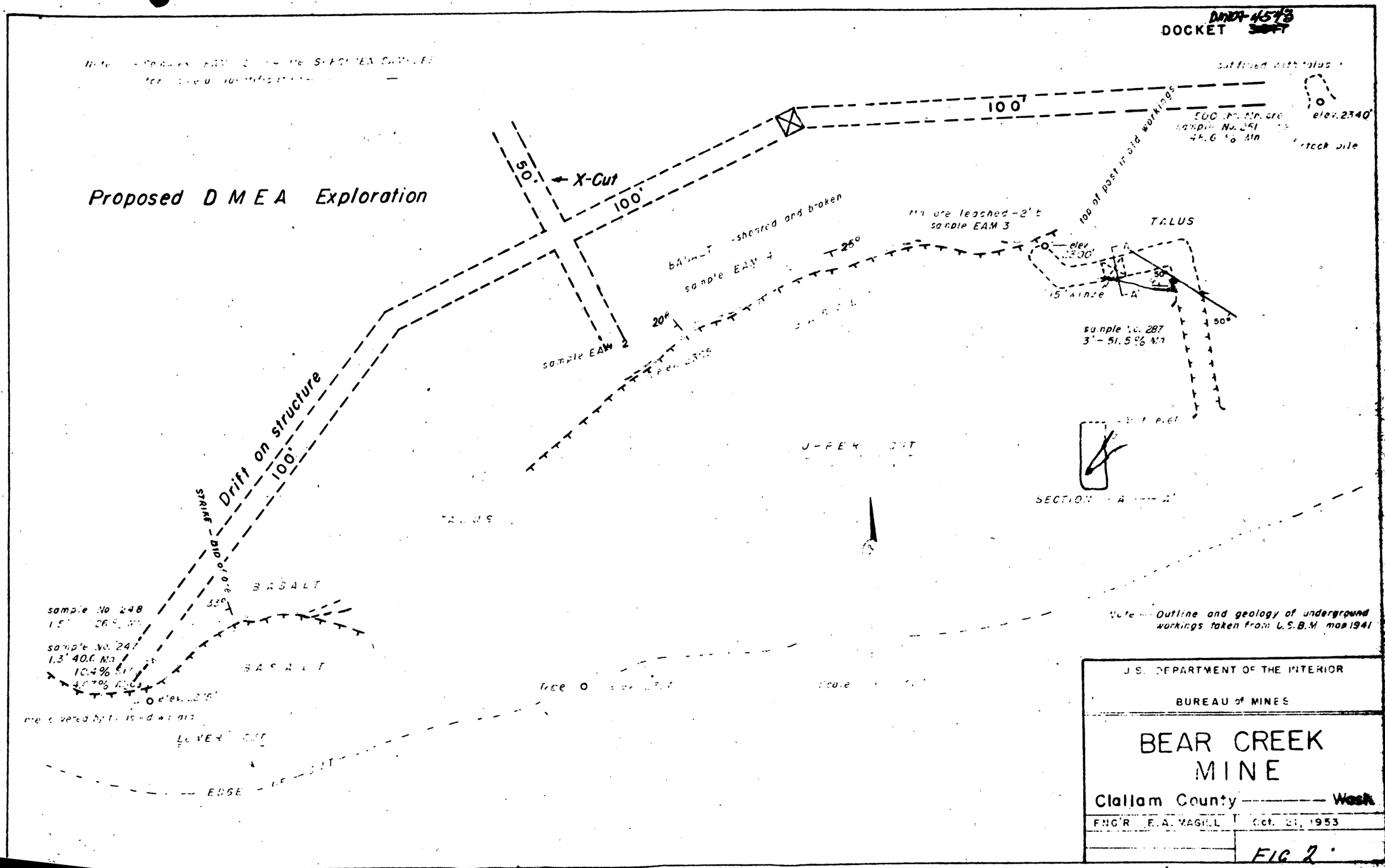


Outline of Claims on Bear Bear Creek Manganese Prospect
Clallam County, Washington

one inch equals 400 feet

FIG. 1

DOCKET DMDA-4543



U.S. DEPARTMENT OF THE INTERIOR

BUREAU of MINES

BEAR CREEK MINE

Clallam County ——— Wash.

ENG'R E.A. MAGILL | Oct. 21, 1953

FIG 2.

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

RECEIVED
NOV 19 1956
D.M.E.A.

November 15, 1956

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

Re: New application (Manganese)
New Wellington Mines Limited (N.P.L.)
Bear Creek Manganese Deposit
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed are three copies of an application for aid in an exploration project to explore for manganese in Clallam County, Washington. This is the same Bear Creek Manganese Deposit for which a contract was offered to, but not signed by, another applicant (Docket No. DMEA-3417, Oberg-Govan-Gehrke).

On July 30, 1953, a partnership composed of Victor Oberg, Hugh Govan, and E. R. Gehrke submitted an application for aid in an exploration project. On September 23, 1953, the Field Team recommendation that a contract be granted to this applicant who had now formed a company known as Bear Creek Mines, Inc., was forwarded to Washington, D. C., based on an examination report prepared by E. A. Magill, U.S.B.M., and Willard P. Puffett, U.S.G.S. On November 6, 1953, this application was denied by Washington, but on March 31, 1954, additional information was sent to Washington again recommending the Oberg property for its consideration; however, on August 11, 1954, we were informed by Washington that Docket No. DMEA-3417 replaced Docket No. DMEA-3137 and that Oberg, Govan & Gehrke, a partnership, would be the Operator. Subsequent events led to the final return of the contract and the docket was closed after the applicant's representative was notified by Washington on February 8, 1955, that the application was being withdrawn.

The proposed unit cost for drifting, even though it includes timbering, appears unreasonably high. In view of the time that has elapsed since the last examination and the more extensive program that is proposed, a complete reappraisal is probably in

order; however, this will not be done until a field referral has been received.

Sincerely yours,

A. E. Weissenborn

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

Enclosures
cc: USBM(2)
Geologist

TELEPHONE 5-3212

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: 640 MONTREAL STREET, VICTORIA, B.C.

October 30th., 1956

The Defence Minerals Exploration Administration
Department of the Interior
Washington, 25, D.C.
U.S.A.

Dear Sirs,

Together with this letter there are the required documents, duly filled in and supported with additional exhibits, for assistance through the D.M.E.A., to do exploratory work on certain mineral claims in Clallam County, State of Washington, U.S.A..

There was a prior contract approved on these claims between the D.M.E.A. and Victor Oberg of Port Angeles, Wash., details as follows:

Contract # I.D.M.- E 700

Docket # 3137 (Manganese)

The benefits of the Contract were not excercised by Mr. Oberg.

The estimated cost to perform the work as outlined by our Engineers on the claims in question is as follows:

Maximum	420 feet of tunnelling @ $70.00 per foot (timbered) -----	$ 29,400.00
	500 feet of new road --	750.00
	TOTAL	$ 30,150.00

RECEIVED
NOV 7 1956
U. S. G. S.
SPOKANE, WASH.

Respectfully Submitted,

New Wellington Mines Limited (N.P.L.)

M.E. Oldring

M.E.Oldring, sec

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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. 4543
Metal or Mineral Manganese
Date Received 11-19-56
Estimated Cost $30,150
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: New Wellington Mines Limited (N.P.L.)
640 Montreal St., Victoria, British Columbia, Canada

(*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. Incorporated under Companys Act, Prov. of B.C.

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

(*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
Bear Creek # 1, # 2, # 3 and # 4, Clallam County, Wash.

(*b*) State any mine name by which the property is known. Bear Creek Manganese Deposit.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
Purchaser under contract (see attached exhibit)

(*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.

(*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. Bear Creek #1, Vol. 9, page 335, #2, page 336, #3, page 304 #4, page 335.

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. see attached exhibit

(*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. See Engineers Report attached hereto.

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

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

RECEIVED NOV 19 1956 D.M.E.A.

RECEIVED NOV 7 1956 U. S. G. S. SPOKANE, WASH.

16—66551-1

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

(*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 30 days and be completed within 18 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. see attached exhibit

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.). see Engineers estimate, attached hereto.

(*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. included in per foot cost

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

(*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. included in per foot cost estimate.

(*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. included in per foot cost estimate.

(*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 not applicable

(*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. included in per foot cost estimate.

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

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 October 25th., 1956

NEW WELLINGTON MINES LTD. (N.P.L.)
(Applicant)

By C. D. [illegible] PRES.

M. E. Oldring SEC.

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

Attach to form MF-103
Paragraph 1, sub-section (c)

Applicant
New Wellington Mines Ltd.
640 Montreal St., Victoria,
British Columbia.

Titles, names and addresses of Officers:

Cecil D. Fletcher, 1330 Purcell Place, Victoria, B.C.
President and Managing Director.

Max G. Zabel, 2528 Cavendish, Victoria, B.C.
Vice-President and Director.

Mary E. Oldring, 1530 Ash Road, Victoria, B.C.
Secretary and Director.

Authenticity of above information certified correct.

M.E. Oldring

M.E.Oldring, Sec.

Exhibit 'A' is map of works program, appended in rear of claims purchase agreement document

Attach to form MF-103

Applic[illegible]
New Wellington Mines Ltd.
640 Montreal St., Victoria, B.C.

Paragraph 5,

Sub-section (d)

New Wellington Mines Ltd. (N.P.L.) is an active mining company, having recently completed an exploration program on Hanson Island off the Northwesterly tip of Vancouver Island, in an effort to establish commercial grade deposits of Copper thereon.

Bank References:-

Mr. R. Wilde, Manager
Royal Bank of Canada
Douglas St. Branch
Victoria, B.C.

ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.ϕ.

Henry L. Hill & Associates, of 572 Howe St., Vancouver, B.C. are our Consulting Mining Engineers, and will be Managing Engineers for the actual work on this Manganese exploratory program. They are Consulting Managing Engineers for the following 3 producing mines.

Giant Mascot
500 tons per day, lead Zinc, Silver.

Silback Premier
300 tons per day, lead, zinc, Silver.

Cronin Babine
50 tons per day, lead, zinc, Silver.

The above information certified correct.

M.E. Oldring

M.E.Oldring, Sec. for New Wellington Mines.

Attach to form MF-103

Applicant
New Wellington Mines Ltd., (N.P.L.)
640 Montreal St., Victoria, B.C.

Paragraph 4.

Sub-section

(a) There is a gravel road to the property, approximately 5 miles in a North-Westerly direction from the Olympic Highway. Property is quite accessible for examination. Applicant had no interest in any work done prior to this date.

(b) See accompanying Engineers Report, page 3, for details of prior work on property and ore shipments.

(c) See accompanying Engineers Report, with plan of projected works program attached.

(d) Access road built in 1954 by Victor Oberg, (approx. 5miles to Olympic Highway) total distance to railhead is 46 miles by gravel road and Highway.
Residence facilities within 6 miles, at Kreugers Court.
Supplies 46 miles (Port Angeles)

(e) Manpower, materials, Supplies and Equipment available at Port Angeles.
Water on property. (Creek)
Portable power unit (gasoline)

Above information certified correct.

M.E.Oldring

M.E.Oldring, Sec.

OFFICE PHONES:
MARINE 0848
MARINE 9924

RESIDENCE:
WALNUT 2-9976

HENRY L. HILL & ASSOCIATES
CONSULTING MINING ENGINEERS

872 HOWE STREET
VANCOUVER 1, B.C.

October 22nd, 1956.

New Wellington Mines Limited,
640 Montreal Street,
Victoria, B. C.

Dear Sirs:

Re: Bear Creek Manganese Mine

In reply to your letter of October 19th I wish to advise that the following estimate is made after a careful study of all factors:

1. Tunnelling without timbering $45.00 per ft.

2. Tunnelling including timbering $70.00 per ft.

The project as outlined in Mr. W. Plumb's report includes the construction of 500 feet of road (estimated cost $750.00), 100 feet of crosscut tunnelling and 320 feet of drifting - a total of 420 feet.

The mine crew will board at a local auto court, thus no camp will be required.

A breakdown of this expenditure will be submitted upon request.

Yours very truly,

Henry L. Hill

HLH/mjr

I hereby certify that the original of this letter was signed by Henry L. Hill.

A Notary Public and for the Province of British Columbia.

MANGANESE DEPOSITS

CLALLAM COUNTY

WASHINGTON STATE, U. S. A.

A brief examination of the deposits described below was made by the writer on September 12th and 13th, 1956, for New Wellington Mines, Ltd., Victoria, B. C.

INTRODUCTION

The known manganese deposits of Clallam County, Washington are chiefly confined to the southern slopes of the most northerly range of the Olympic Mountains, which parallels the Strait of Juan de Fuca between Port Angeles and Sappho. They occur within a belt of serpentinized basalt, and associated calcareous sediments, 4 to 8 miles wide, known as the Metchosin Volcanics. They are described by Stephen H. Green in "Manganese Deposits of the Olympic Peninsula, Washington", as follows:

"The manganese deposits occur as veinlike, tabular bodies mostly conformable to the adjacent bedding, as irregular pods and lenses, and occasionally as dikelike masses. Widths may vary from a fraction of an inch to 30 feet or so, and lengths of 500 feet without interruption are known. Much greater lengths doubtless exist, but, unless continuously exposed, it is not safe to assume continuity between exposures, even though the strike and physical characteristics of separate outcrops indicate that only one body is involved. Commonly, the deposits pinch and swell or occur as isolated lenticular masses in the plane of strike and dip. Faulting, also, adds to the complexity of occurrence.

"The manganese bodies always are associated with basalt and related effusive rocks, now mostly altered to greenstone and, in some places, serpentine. Very fine grained limestone and brown calcareous argillite are other usual accompanying rock varieties. A given manganese body may be entirely in basalt, or entirely in limestone or argillite that is stratigraphically near basalt, or it may be at contacts of such rocks. These relationships are a distinct aid in prospecting."

LOCATION AND ACCESS

The region is served by U. S. Highway 101, an all-weather, heavy-duty paved road following the valley of the Soleduck river along the southern margin of the manganese-bearing range. A number of logging roads give access to this range, which has an average summit elevation of 3,000 feet. A power line follows the highway and is not more than two miles distant from any of the deposits examined.

DESCRIPTION OF PROPERTIES

(1) General

Three deposits were visited: The Victory, the Bear Creek and the Beaver Falls. All lie within Township 30 N, Range 12, W.W.M. The first two are on U.S. Government land and are held by location as mineral claims. The Beaver Falls deposit is on State land and is held by lease. All are believed to be in good standing but this has not been checked. The approximate locations are shown on the accompanying maps.

(2) Victory Deposit

This deposit is reached by a 2 mile improved dirt road that turns northeast from Highway 101 at Bear Creek village, 43 miles west of Port Angeles. A grassy trail, suitable for light trucks, leaves this road and continues east for one-quarter mile to where a low bluff overlooks Bear Creek, at the base of the mountain range, at elevation 670 feet.

A cat was employed here, two years ago, to strip the outcrop and a bench 100 feet long by 15 feet wide was made. A low bluff slopes back at about 45° from the bench to a height of 20 feet, above which it is covered with overburden. No outcrops were seen below the bench where the land falls off to a low flat valley occupied by Bear Creek. The bluff consists of deeply weathered, serpentinized basalt, showing considerable manganese - and - iron stain. Running obliquely up the face of the bluff, on a strike of S 60° W and with an apparently vertical dip, is a vein varying from 10 inches to 7 feet in width, containing a brownish-black manganese mineral with a high vitreous lustre, believed to be "bementite". This was sampled at a point where the vein was 5 feet wide, and a fairly pure specimen was selected for chemical analysis. This vein has been partially stripped, by hand methods, and exposed for a strike length of 22 feet and a vertical range of 20 feet. It is also probably present for a further strike length of 25 feet at bench level, but this portion is covered by talus. The vein appears to be following a fracture in the basalt, but as the wall rocks are badly weathered, this may not be significant. Where the vein disappears under overburden, it is only about a foot wide. In general, the mineralization is gradational into the wall rocks.

Bementite is a rare hydrous manganese silicate, containing about 30% manganese which, however, cannot be economically recovered at present. The chemical analysis of the fairly pure specimen (sample No. 951) showed 24.26% Manganese and 31.40% Silica, thus confirming that the mineral in the Victory deposit is Bementite. Sample No. 952, channelled across 5 feet, assayed only 4.32% Manganese. This deposit is, therefore, of no commercial importance at present.

(3) Bear Creek Deposit

This deposit is on the Bear Creek No. 1 mineral claim, near the southwest corner of Section 13, Township 30N, Range 12 W.W.M. This and three adjoining claims - Bear Creek No's. 2, 3 and 4, have been held for many years by Victor Oberg of Port Angeles, Washington. About two years ago a truck road was built to the property and about 100 tons of ore hauled out. This road leaves the Rainey Creek road at the turn-off to the Victory property, and reaches the outcrops, at elevation 1810, by a series of switchbacks in a distance of one mile. Gradients on the last 2000 feet of the road are too steep for cars. An alternate route leaves highway 101 about 2 miles east of Bear Creek village. This is a private logging road and can only be used at certain times and with the owner's permission, but it is possible by this route to reach the deposit in an automobile. By either route, the road distance from Port Angeles is approximately 46 miles.

Three outcrops occur over a horizontal distance of 290 feet and a vertical range of 55 feet. They have been partially exposed by trenching. About two years ago, two carloads were shipped from here, and the bench is now 300 feet long and up to 50 feet wide. Some sloughing has recently occurred, covering an estimated 40 feet of the B outcrop.

The ore is believed to be chiefly hausmannite, a manganese oxide containing up to 72% metallic manganese. Selected specimens are now being assayed to determine this. The veins vary in width from 8 to 36 inches, and in places contain "horses" of country rock, which is sparingly mineralized. A selvage of a pink, finely-crystalline mineral, probably "inesite" (hydrous manganese-calcium silicate) tends to occur on the borders of the veins. Weathered exposures are covered with a fine black film of hydrous manganese-oxides which cause surface enrichment. In mining these factors would, of course, cause dilution and some variations in grade.

The following results of chemical analysis confirm that the deposit consists chiefly of hausemannite. Samples 953 and 954 were specimens of nearly pure mineral, reasonably free from surface contamination, taken from veins A and B respectively. These are listed in the table below, together with analyses from the first and second carload lots shipped from this deposit by Victor Oberg in 1953. They are all essentially similar and appear to be within the purchasing specifications of the United States government. Careful mining would be required to keep the silica content low, as this is partly due to contamination by the basaltic wallrock.

	Sample # 953	Sample # 954	1st Car	2nd Car
Manganese	51.00	60.21	48.25	47.00
Iron	1.75	0.85	1.50	1.70
Silica	20.68	8.72	-	-
Alumina	1.64	0.66	-	-
Silica plus Alumina	-	-	14.60	17.10
Phosphorus	Trace	Trace	0.05	0.05
Copper plus Lead plus Zinc	N/A	N/A	0.05	0.06

It is not known whether the three outcrops are part of one continuous vein. The interval between A and B veins is largely talus covered. Both veins dip 40° to the northwest, but strike determinations on the outcrops vary by 30°. Plotting the theoretical surface trace of Vein A upwards would place it about 40 feet north of the B outcrop, where it is visibly non-existent. Conversely, vein B, projected downward, appears to coincide with vein A. It is suggested, therefore, that outcrops A and B may be on the same vein with a uniform dip but a variable strike. Proposed exploration has been predicated upon this theory. Outcrop C is an isolated high grade lense about 24 inches in diameter, not connected on the surface with outcrop B. For 25 feet northward from C there is rather intense manganese stain, ending on an apparent fault which could be connected with the fault controlling vein A.

The country rock is a deeply weathered, soft, serpentinized basalt, showing considerable manganese-and-iron staining. It underlies the entire hillside above and below the veins, outcropping frequently through a thin surficial mantle.

Due to the deep weathering and to the steep topography surface stripping by bulldozer is rather unsatisfactory. Surface drilling for downward extensions is also impracticable, as the veins dip into the hillside at an awkward angle. The best method of exploring the deposit, therefore, would be to intersect it at depth by a crosscut tunnel and to drive along the vein.

On the accompanying plan and projection, a spur road (about 500 feet long), a crosscut (100 feet long) and about 360 feet of drifting at the 1730 foot level are suggested as the best means of exploring this deposit. This could intersect the vein 50 feet below the A outcrop and 80 feet below the B outcrop. Assuming surface dimensions at depth, potential tonnages could be:

$$\text{A shoot} - \frac{50 \times 40 \times 2}{10} = 400 \text{ tons}$$

$$\text{B shoot} - \frac{80 \times 50 \times 2}{10} = 800 \text{ tons}$$

Any mineralization encountered at depth would, of course, require careful systematic sampling and analysis for marketable grade specifications.

About 1000 feet down the road from the main deposit a number of large angular boulders of hausmannite, 12 to 24 inches in diameter, were found on the Bear Creek No. 3 claim. While these have not travelled far, it is unlikely that they have come from the main outcrop as they are separated from it by a deep transverse gulley. An attempt was made to find the source by stripping two years ago, but without success. This area, and all the recently exposed cuts in the numerous logging roads in the vicinity, should be thoroughly prospected. Within the last two years forest fires have swept the mountain clear of all vegetation, thus facilitating prospecting.

(4) Beaver Falls Deposit (Carnahan Lease)

This deposit is mentioned in early publications as the "State Lease". It comprises 160 acres in the south-central portion of Lot 16, Township 30 N, Range 12 W.M.M. It is currently leased by Mr. and Mrs. J.C. Krueger, Port Angeles, Washington. It is two and one half miles, by road, north of Sappho, Washington.

As originally described, a lens of hausmannite 34 feet long by 15 feet wide was exposed on the north bank of Beaver Creek. This lens was mined, in 1954, by surface methods, and completely removed except for an estimated 35 tons neatly piled beside the road about 500 feet from the creek. This work completely obscured any traces of the original deposit. "Cat-talus" is twenty feet deep on the north bank, and slide talus has fallen on top of this from the surrounding bluffs. It might be possible, by hydraulicking or more cat work to push this talus further downstream and determine whether anything remains of the original deposit. The stockpiled ore is of very good grade - 45% to 60% Manganese, and contains occasional grains of Cinnabar.

Some months ago (1956) the deposit was drilled by the U.S. Government. Three short holes, drilled downward to the north, failed to find ore. No trace of the drill stations or collars were found, probably due to recent sloughing. BM ?

Cliffs of massive serpentinized basalt, 100 feet high, slope northward from the creek at about 45°. About 75 feet above the creek, these are conformably overlain by a belt of shaly red limestone about 50 feet thick, which extends down to the creek. The contact is exposed for 150 feet, approximately paralleling the creek, striking 93° and dipping 80° south. The red limestone contains interbeds of serpentine up to 10 feet thick, but most of these are obscured by talus. It seems probable that one of these interbeds originally contained the manganese ore, judging from the location of the cat roads.

To the south of the creek exposures along the road consist of shales, greywacke and thin intercalated bands of serpentinized basalt with minor manganese staining.

There is reported to be a small deposit of manganese mineralization on the northern part of the lease at a higher elevation. This was not visited, but should be examined when suitable arrangements can be made for Mr. Krueger to act as a guide.

(5) Princess Deposits

This deposit was not visited. It is reported to consist of one claim, owned by Mrs. V. Oberg, and to be a re-staking of the Barbara deposit, described as follows in "Manganese Deposits of the Olympic Peninsula" by Stephen H. Green:

"In the SW ¼ Sec. 23 (30-11W), about 350 feet west of the Kloshe Nanich trail, at an altitude of 2,320 feet, are two deposits of bementite enclosed in greenstone. One is 20 feet long and averages 5 feet in width, and the other is 16 feet long and 5 feet wide."

If the mineral is bementite, these deposits are not marketable at the present time. However, an examination by the U.S. Bureau of Mines geologists was made about two years ago, according to Mrs. Oberg, so perhaps more information is now available.

RECOMMENDED EXPLORATION

(a) Bear Creek Deposit

1. As much as possible of the vein between A and B outcrops should be exposed by stripping with the cat.

2. A spur road should be built from the present Oberg road, following approximately the 1730 foot contour, to a point about 50 feet below the end of the present bench. A suitable point for an adit should be chosen at the end of this spur. (Refer to accompanying map)

3. A crosscut should be driven on a bearing of about N 35° W to intersect the possible downward extension of the A shoot, at elevation 1730 feet, about 100 feet from the portal.

4. If intersected, the A shoot should be followed by drifting to the northeast and southwest. It is possible that the A and B shoots are on the same vein with minor variations in strike and dip. If so, drifting to the northeast may also intersect the downward extension of the B shoot.

5. The surrounding area should be vigorously prospected, especially along recently built logging roads. A determined effort should be made to locate the source of the float found on the Bear Creek No. 3 claim.

6. All relevant data should be obtained and firm estimates made, for the purpose of applying for DMEA assistance in the above exploration.

7. Any mineralization encountered should be systematically sampled and assayed for manganese, iron, silica, alumina and phosphorus to determine if it meets G.S.A. specifications. Only Manganese oxides are marketable.

(b) Beaver Falls Deposit (Krueger Lease)

1. An effort should be made to clear the talus away from the north side of the creek in order to see if any ore actually remains in place. This might be done either by hydraulicking or with a large cat.

2

2. A small deposit, on ground leased by Mrs. Krueger, is reported to occur higher up the hill. This should be examined and possible stripped.

(c) Victory Deposit

1. Nothing more should be done with this deposit at present.

(d) Princess Deposit

1. This should be examined as soon as an agreement has been reached with Mrs. Victor Oberg. Meanwhile it should be determined-

(i) whether mineral is bementite

(ii) if any recent geological report has been made of this property.

Respectfully submitted,

W. H. Plumb, P. Eng.

Approved: Henry L. Hill

HLH/Ejr

SYNOPSIS OF SAMPLING

Assay Date	No.	Zone	Mn	Fe	SiO_2	Al_2O_3	P	Hg	Remarks
Sept.28	951	Victory	24.26	4.70	31.40	1.36	Trace		Selected specimen for analysis
"	952	"	4.32						5 foot channel sample
Aug. 30	169	"	8.04						channel sample
Sept.28	953	Bear Creek	51.00	1.75	20.68	1.64	Trace		Vein A - Selected specimen for analysis
"	954	" "	60.21	0.85	8.72	0.66	Trace		" B - " " " "
Aug. 30	1501	" "	2.90						10 feet manganese stain west of C outcrop
"	1502	" "	1.20						Low Grade bluffs north of C outcrop
"	1503	" "	58.20						C outcrop - 2 feet
"	1504	" "	41.14						Vein A - 1.5 feet
Aug. 7	#1	" "	32.85						Grab sample, location not specified
"	#2	" "	27.90						" " " " "
"	#4	" "	2.90						" " " " "
Aug. 30	1506	Beaver Falls	60.50		13.18				Selected specimen from dump
Aug. 7	#3	" "	45.00					2.48	" " " " , with Cinnabar

All assays by J. L. Williams & Son Ltd.
560 Nelson Street,
Vancouver, B. C.

THIS AGREEMENT made the 27th day of October

A. D. 1956:

BETWEEN:

VICTOR ALLEN OWEN and MABEL I. OWEN, his wife, both of 711 East 6th, Port Angeles, State of Washington, one of the United States of America, (hereinafter called "the First Vendor")

OF THE FIRST PART:

AND:

JOSEPHINE FOX, of 704 Marine Drive, Port Angeles aforesaid, and ANDREW GEVERKES, of 14 Aldwell Building, Port Angeles aforesaid, executors of the Estate of Hugh Govan, deceased, (hereinafter called "the Second Vendor")

OF THE SECOND PART:

AND:

E. E. CHEKER, JR., of 2066 Paula Terrace, County of Victoria, Province of British Columbia, (hereinafter called "the Third Vendor")

OF THE THIRD PART:

AND:

NEW BELLERTON MINES LIMITED (Non-Personal Liability), a body corporate, duly incorporated under the laws of the Province of British Columbia, and having a registered office at 640 Montreal Street, in the City of Victoria, Province of British Columbia, (hereinafter called "the Purchaser")

OF THE FOURTH PART.

WHEREAS the Vendors between them are the recorded holders of certain mining claims recorded in the Auditor's office of Clallam County, State of Washington, United States of America, more particularly known and described as follows:

BEAR CREEK NO. 1: BEGINNING at Corner No. 1 (the Northeast corner), running thence 300 feet west, to a post marked North End Center; thence 300 feet west to a post marked Northwest corner (Corner No. 2); thence 1500 feet south to a post marked Southwest corner (Corner No. 3); thence 300 feet east to a post marked South End Center; thence 300 feet east to a post marked Southeast corner (Corner No. 4); thence 1500 feet north to a post marked Northeast corner, the place of beginning.

This claim is further described as follows: The point of discovery upon which this notice is posted is in a southerly direction from the center of the North end line, distant 750 feet. From Corner No. 1, the discovery post bears southwesterly distant 808 feet, and from the southwest corner of Section 24, Township 30 North, Range 12 WM, in Clallam County, Washington, bears as follows: Commencing at said southwest corner of Section 24, Township 30 North, Range 12 WM, the point of beginning, thence 4225 feet north to a point; thence 935 feet east to a point; thence 600 feet north to a point; thence 750 feet east to a point; thence 750 feet north to point of discovery.

BEAR CREEK NO. 2: BEGINNING at Corner No. 1 (the Northeast corner), running thence 300 feet south, to a post marked East End Center; thence 300 feet south to a post marked Southeast corner (Corner No. 2); thence 1500 feet west to a post marked Southwest corner (Corner No. 3); thence 300 feet north to a post marked West End Center; thence 300 feet north to a post marked Northwest corner (Corner No. 4); thence 1500 feet east to a post marked Northeast corner, the place of beginning.

This claim is further described as follows: The point of discovery upon which this notice is posted is in an easterly direction from the center of the west end line, distant 750 feet. From Corner No. 1, the discovery post bears southwesterly, distant 808 feet; and from the southwest corner of Section 24, Township 30 North, Range 12 WM, in Clallam County, Washington, bears as follows: Commencing at said southwest corner of Section 24, Township 30 North, Range 12 WM, the point of beginning, thence 4225 feet north to a point; thence 1085 feet east to a point being the south end center of said claim, thence 300 feet north to point of discovery.

BEAR CREEK NO. 3: BEGINNING at Corner No. 1 (the Northeast corner), running thence 300 feet west to a post marked North End Center; thence 300 feet west to a post marked Northwest Corner (Corner No. 2), thence 1,500 feet south to a post marked Southwest corner (Corner No. 3), thence 300 feet east to a post marked South End Center; thence 300 feet east to a post marked Southeast Corner (Corner No. 4); thence 1,500 feet north to a post marked Northeast Corner, the place of beginning.

This claim is further described as follows: The point of discovery upon which this notice is posted is in a southerly direction from the center of the north end line, distant 750 feet. From corner No. 1 the discovery post bears southwesterly distant approximately 808 feet, and from the southwest corner of Section 24, Township 30 North, Range 12 WM, in Clallam County, Washington, bears as follows: Commencing at said southwest corner of Section 24, Township 30 North, Range 12 WM, the point of beginning, thence 4225 feet north to a point; thence 935 feet east to a point; thence 600 feet north to a point; thence 1,350 feet east to a point (South End Center post); thence 750 feet north to point of discovery.

BEAR CREEK NO. 4: BEGINNING at Corner No. 1 (the Northeast corner), running thence 300 feet west to a post marked North End Center; thence 300 feet west to a post marked Northwest Corner (Corner No. 2), thence 1,500 feet south to a post marked Southwest corner (Corner No. 3), thence 300 feet east to a post marked South End Center; thence 300 feet east to a post marked Southeast Corner (Corner No. 4); thence 1,500 feet north to a post marked Northeast Corner, the place of beginning.

This claim is further described as follows: The Point of discovery upon which this notice is posted is in a southerly direction from the center of the north end line, distant 750 feet. From corner No. 1 the discovery post bears southwesterly distant approximately 808 feet, and from the southwest corner of Section 24, Township 30 North, Range 12, WM, in Clallam County, Washington, bears as follows: Commencing at said southwest corner of Section 24, Township 30 North, Range 12, WM, the point of beginning, thence 4225 feet north to a point; thence 935 feet east to a point; thence 600 feet north to a point; thence 150 feet east to a point (South End Center post); thence 750 feet north to point of discovery.

VICTORY CLAIM: BEGINNING at Corner No. 1 (the North corner), running thence 1,500 feet southeast to a post marked East Corner (Corner No. 2); thence 300 feet southwesterly to the discovery post, being also marked the Southeast End Center; thence 300 feet southwesterly to a post marked South Corner (Corner No. 3); thence 1,500 feet northwesterly to a post marked West Corner (Corner No. 4); thence 300 feet northeasterly to a post marked Northwest End Center; thence 300 feet northeasterly to a post marked North Corner, the place of beginning.

This claim is further described as follows: The point of discovery upon which this notice is posted is in the center of the Southeast end line of said claim being equidistant from the East and South corner above described. From Corner No. 1, the discovery post bears southeasterly 1,500 feet; thence southwesterly 300 feet. The discovery post is further described as being in the southeast quarter of the northwest quarter of Section 24, Township 30 North, Range 12, WM in Clallam County, Washington, and being at the easterly end of that certain road branching off the Rainey Creek Road at a point in the southeast quarter of the northeast quarter of Section 23 in said township and range.

AND WHEREAS the First Vendor is actual owner of an undivided twenty per cent (20%) portion of all of the said mining claims; the Second Vendor is the owner of an undivided forty per cent (40%) interest in the same and the Third Vendor is the ownerof a forty per cent (40%) interest in the same.

AND WHEREAS the Vendors have agreed to sell to the Purchaser and the Purchaser has agreed to purchase of and from the Vendors all of their respective interests in the said mining claims upon the terms and conditions hereinafter set out.

NOW THIS AGREEMENT WITNESSETH that in consideration of the Purchaser's covenants hereinafter contained the Vendors jointly and severally, on fulfilment of the Purchaser's covenants as hereinafter set out, DO HEREBY COVENANT, PROMISE AND AGREE to and with the Purchaser to convey and assure or cause to be conveyed and assured to the Purchaser by whatever documents prove requisite, all of their respective right, title and interest to the said mining claims as hereinbefore described, together with the appurtenances thereto belonging or appertaining, freed and discharged from all encumbrances, and together with all mines and minerals whatsoever already found or which hereafter may be found on or under the said lands above described, together with full liberty for the Purchaser and his lessees, agents, servants and workmen and all other persons by his or their or any of their authority or permission at any time and from time to time and either

with or without horses and other animals, automobiles, wagons and other vehicles to enter on the said lands for the purpose of searching for, digging, working, mining, procuring and carrying away the said mines and minerals and also to sink, open and work any wells, pits, shafts, drifts or mines within the limits of the said lands and to make such erections and buildings and lay down railroads and other roads in, on, under and over the said lands as may be necessary for the more convenient working and carrying away of the said mines and minerals and also to appropriate and use any part of the surface of the said lands for depositing and keeping thereon the minerals, water, waste, rubbish and other substances which may be taken out of the said mines.

THE PURCHASER HERE COVENANTS, PROMISES AND AGREES to and with the Vendors as follows:

1. That it will forthwith take all requisite steps to obtain a subsidy from the Defence Minerals Exploration Administration of the United States Government.

2. Within thirty (30) days of obtaining subsidy approval from the said Defence Minerals Exploration Administration to commence work on the said lands above described in an effort to fulfil the plan of work outlined in the report of Henry L. Hill and Associates of Vancouver, British Columbia, which is hereunto attached and marked Exhibit "A" to this Agreement.

3. To pay to the Vendors the sum of $100,000.00 as follows: to pay to the several Vendors a sum equal to ten per cent (10%) of the gross proceeds received by the Purchaser from the sale of all ore sold from the property above described, which sums are to be paid to the Vendors by the Purchaser within thirty (30) days of the receipt by the Purchaser of payment for ore deliveries so often as such payments shall occur until the Purchaser has by this method paid to the Vendors the total sum of One hundred Thousand Dollars ($100,000.00), at which time the full consideration payable by the Purchaser shall be complete. No interest whatsoever shall be payable on the sum of money so due.

4. It will perform all assessment work and pay all rates and dues required by the laws of the State of Washington to keep the claims in good standing during the currency of this agreement. E.D.J. M.Z.

Upon payment of the said TOTAL sum of money the Vendors and each of them jointly and severally COVENANT, PROMISE AND AGREE to and with the Purchaser to convey and assure or cause to be conveyed and assured to the Purchaser by a good and sufficient deed in fee simple all of their respective right, title and interest in the said parcels of land and mining claims above described, TOGETHER with the appurtenances thereto belonging or appertaining, freed and discharged from all encumbrances, and the requisite documents shall be prepared at the expence of the Purchaser.

The Vendors shall have the right at all times and without the consent of the Purchaser to assign or transfer their respective right, title and interest in this Agreement for Sale to any person whomsoever, PROVIDED, however, that the Vendors shall forthwith give notice thereof in writing to the Purchaser specifying the name of such person and the full address at which subsequent payments hereunder shall be made by the Purchaser.

AND ALSO IT IS HEREBY AGREED that provided this agreement is not rendered null and void and the Purchaser is not in default hereunder he may at any time prior to the time of final payment pay the balance of the purchase money of the said lands and thereupon become immediately entitled to full ownership of VENDORS INTEREST IN the said lands and mineral claims. M.Z. M.D.Q. E.D.J.

In the event of the exploration by the Purchaser revealing that the above described mining claims do not contain a merchantable body of ore he may then abandon work on the said claims and all the Purchaser's equity in the said claim shall then automatically revert to the Vendors, and the obligations and covenants of the parties hereto shall forthwith become null and void and be of no further force and effect.

The Vendors and each of them DO HEREBY APPOINT the Vendor, Andrew

Severyns, to receive all monies payable by the Purchaser to the respective Vendors and the Purchaser shall not be under any obligation to see to the distribution of the purchase monies as between the various Vendors.

The Vendors covenant further with the Purchaser as follows:

1. That the said mining claims are valid and subsisting claims in good standing according to the provisions of the laws of the State of Washington aforesaid, and that there has been performed thereon all the assessment work required by the said laws up to the date of these presents.

2. That they have the right to enter into this agreement for sale.

3. That they will execute any documents that may be necessary to effectually transfer the said claims to the Purchaser in fulfillment of their covenants as herein expressed.

AND IT IS EXPRESSLY AGREED between the parties hereto that all grants, covenants, provisos and agreements, rights, powers privileges and liabilities contained in this agreement shall be read and held as made by and with, granted to and imposed upon the respective parties hereto and their respective heirs, executors, administrators, successors and assigns, the same as if the words heirs, executors, administrators, successors and assigns had been inserted in all proper and necessary places; and wherever the singular or the masculine pronoun is used the same shall be construed as being the plural or the feminine, party politic or corporate, where the context or the parties hereto so require.

IN WITNESS WHEREOF the said parties to these presents have hereunto set their hands and seals the day and year first above written.

SIGNED, SEALED AND DELIVERED by the First Vendor in the presence of:

Witness: E D Hawley

Address: Gegiusmash

Occupation: Foreman

Victor A. Oberg

Mabel I. Oberg

SIGNED, SEALED AND DELIVERED by the Second Vendor in the presence of:

Witness: _____

Address: _____

_____

Occupation: _____

Andrew Demerger
Josephine Ford
Executors of Estate of Hugh Joram Deceased.

SIGNED, SEALED AND DELIVERED by the Third Vendor in the presence of:

Witness: M. E. Oldring

Address: 640 Montreal St.
Victoria, B.C.

Occupation: Secretary

E. M. Galube Jr.

IN WITNESS WHEREOF the Purchaser has hereunto caused its corporate seal to be hereunto affixed in the presence of its duly qualified officers.

The Seal of New Wellington Mines Limited (Non-Personal Liability) was hereunto affixed in the presence of:

C. D. Dirst

Max Zabel

Dated 1956.

VICTOR ALLEN OBERG and MABEL I. OBERG

- and -

JOSEPHINE FOX and ANDREW SEVERYNS, executors of the estate of Hugh Govan, deceased

- and -

E. R. GEHRKE, JR.

- and -

NEW WELLINGTON MINES LIMITED (N.P.L.)

AGREEMENT FOR SALE OF MINING CLAIMS

HARMAN, SLOAN & McKENZIE
BARRISTERS AND SOLICITORS
212-215 YARROWS (PEMBERTON) BLDG.
VICTORIA, B.C.

DMEA Form 17
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WORK COMPLETED ANALYSIS

After final audit or review report is received, prepare original only and file in official docket

Operator: New Wellington Mines, Ltd.		Actual Cost	
State: Bear Creek Mine, Clallam County, Wash.		Agreed Unit Cost $14,880	
Final Report of Audit		Commodity: Manganese	Docket No. DMEA-4543
Final Report of Review $10.957.50			Contract No. Idm-E1072

Operation	Authorized by Contract and Amendments		Completed		Net cost after sale of Government Property
	Units	Cost	Units	Cost	
Drifting & Crosscutting or raising	350 ft.	$13,125	299 ft.	$9,352.50	
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails & adit site		1,280		1,280.00	
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Consultant, accounting, assaying		475		325.00	
Totals		$14,880		$10,957.50 *	

* Net cost total must agree with final report of audit or review.

Prepared by T. L. Chapman Date 9/10/58

31398

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-8	Holt	400
12-8	Martin	400
12/9	Talbert	800
12/9	Selfridge	120
~~12/9~~	~~Talbert~~	~~110~~
12/9	Johnson	110
		225
		400

DEC 1^ 1958

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA 4543 - Manganese
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

Gentlemen:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did n result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

SPHOLT:foc
12-8-58
cc to: Code 400
800
Director's Read. File
Operating Comm.
FT. REG. I
G. L. DeHuff, Jr., USBM
T. H. Kiilsgaard, USGS

Mr. & Mrs. Victor A. Oberg
Mr. Andrew Severyns
Mr. E. R. Gehrke, Jr.
Josephine Fox

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-13	Holt	400
8-13	Chapman	400
8-13	Chamber	800
8/14	Selfridge	120
8/14	Johnson	110
		100
		220

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA 4543 - Manganese
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

Gentlemen:

This is with reference to the subject exploration contract between you and the Government.

It is not our intention to issue a certification of discovery or development which would create a lien against the property. We are, therefore, closing our books and records with respect to this project. At this same time your attention is called to the provisions of the contract requiring the operator to keep and preserve certain records for the period indicated.

We regret that the exploration work did not result in a discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

Administrator

TLCHAPMAN/dlm 8-13-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Code 800
Messrs. G. L. DeHuff, Jr. USBM
T. H. Kiilsgaard, USGS

Mr. & Mrs. Oberg
Andrew Severyns & Josephine Fox
E. R. Gehrke, Jr.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-8	Holt	400
12-8	Martin	400
12/9	Talbot	800
12/9	Lefondge	120
"	Johnson	110
		225
		400

Same letter to:

Mr. E. R. Gehrke, Jr.

Mr. & Mrs. V. A. Oberg

Josephine Fox

Mr. Andrew Severyns, Executor
Estate of Hugh Gowan
14 Aldwell Building
Port Angeles, Washington

Re: Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd.
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Severyns:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This refers to the Consent to Lien and Subordination Agreement signed by you on April 16, 1957, under the DMEA program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON
Acting Director

SPHOLT:foc
12-8-58

cc to: Code 400
800

Enclosure

Director's Read, File
Oper. Comm.
FT. REG. I
G. L. DeHuff, Jr., USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-13	Holt	400
8-13	Chapman	400
8-13	Chambers	800
8/14	Selfridge	120
8/14	Johnson	110
		100
		220

Same letter to:
Mr. E. R. Gehrke, Jr.
Mr. & Mrs. V. A. Oberg
Josephine Fox

Mr. Andrew Severyns, Executor
Estate of Hugh Govan
14 Aldwell Building
Port Angeles, Washington

Re: Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd.
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Severyns:

Reference is made to the Consent to Lien and Subordination Agreement which you executed on April 16, 1957, in connection with the cited DMEA contract for an exploration project on your property located in Clallam County, Washington.

For your information, there is enclosed a copy of our letter of this date to the New Wellington Mines, Ltd., stating that the Government retains no lien or claim against the property described in the contract or any future production therefrom.

Sincerely yours,

Administrator

TLCHAPMAN/dlm 8-13-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Code 800
Messrs. G. L. DeHuff, Jr. USBM
T. H. Kiilsgaard, USGS

Enclosure

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-13	Holt	400
8-13	Chapman	400
12-8	Martin	400
		100
		225

December 8, 1958

MEMORANDUM

To: Acting Director, OME

From: Division of Iron and Ferro-Alloys, DMEA OME

Subject: Closing of project without certification of discovery or development, after a mutual Termination Agreement executed December 23, 1957
Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd.
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

This project was terminated by mutual agreement after substantial completion of the work. No significant ore discovery was made and this Division concurs in the recommendation of the Field Team that no certification of discovery or development be made.

Two previous requests of exploration assistance have been made on this property. Docket No. DMEA 3137 in 1953 was denied. Docket No. DMEA 3417; a contract was approved and a contract issued by the Government, but the applicant did not sign and the contract was withdrawn.

In 1956 the New Wellington Mines, Ltd., obtained a lease on the property and an application for exploration assistance was made on October 25, 1956, at an estimated cost of $30,150.00 for bulldozing access roads and tunnel site and 420 feet adit and cross-cutting and raising.

A report was made on March 7, 1957, based mainly on previous examinations, by E. A. Magill, Bureau of Mines, and D. F. Kellum, Geological Survey, and a contract was recommended.

Applicant: New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Property Ownership: The property consists of four unpatented lode mining claims, owned by the Estate of Hugh Govan (Andres Severyn and Josephine Fox, Executors), Victor Allen Oberg and his wife Mabel I. Oberg, and E. R. Gehrke, Jr.

The claims are located in section 24, T. 30 N., R. 12 W., W.M. Clallam County, Washington, and are recorded as follows:

Claim Name	Book No.	Page No.
Bear Creek No. 1	9	335
Bear Creek No. 2	9	336
Bear Creek No. 3	9	304
Bear Creek No. 4	9	335

The property is held by the Applicant by an Agreement dated October 27, 1956. A Consent to Lien and Subordination Agreement was signed on April 16, 1957.

Geology: This property is in an area underlain by Metchosin volcanics of Eocene age. These rocks consist of thick sequences of basalt, with intercalated lenses of argillite and argillaceous limestone. The sequence forms a band around north, east and south boundaries of the Olympic Penninsula highlands.

Within the band of volcanics, and generally associated with the argillaceous limestone lenses, are concentrations of manganese ore. This ore is composed of silicates and hausmannite and in small areas the ore is of a commercial grade.

Past History and Production:

The Bear Creek deposits were discovered after the area was burned over by a forest fire in 1952. In 1953 a 1½ mile access road was constructed to the property. Fifty long tons of ore were mined and shipped assaying 47 percent manganese and 17 percent silica and alumina. Another shipment of 54.29 long dry tons was made containing 48.25 percent manganese and 14.6 percent silica and alumina.

Contract: A contract was issued on April 2, 1957, for bulldozing access road and adit site, drifting, crosscutting, and/or raising at an estimated cost of $14,880.00; Government participation $11,160.00

The project was terminated by mutual agreement on September 30, 1957. The work authorized and completed was as follows:

	Authorized	Completed
Bulldozing	80 hours	80 hours
Drifting	300 feet	243 feet
Crosscut and raise	50 feet	56 feet
Timbering drifts or crosscuts	350 feet	51 feet
Consultant	5 days	5 days
Accountant	5 days	5 days
Manganese assays	75	None

Accepted costs in Report of Review $10,957.50

Government participation, 75 percent $8,218.12

Ore Values and Tonnage:

No ore was found by the operation, and while some ore was shipped prior to contract, the work indicated that there was little possibility of finding any significant ore bodies of a commercial grade. By sorting and selective mining about 20 tons of ore has been stockpiled averaging 50.04 percent manganese and 8.10 percent silica and alumina. This ore tonnage was [illegible] by [illegible] as the Field Team reported that the buyer stated that the stockpile of 7½ tons had been shipped.

Conclusions and Recommendations:

The examining team advises that no new ore was found by the operation and recommends that no certification of discovery or development be issued. The Field Team concurs in this recommendation.

The Commodity Divisions of the Geological Survey and the Bureau of Mines, concur in the recommendations of the Field Team.

Thos. L. Chapman, Acting Director
W. S. MARTIN
Division of Iron and Ferro-Alloys

TLCHAPMAN/dlm
8-13-58
cc to: Docket
Admr. R. File
Oper. Comm.
Mr. Johnson

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Se. 157 Howard Street
Spokane 4, Washington

November 28, 1958

RECEIVED		1958
DATE		CODE
12/1	C	220
12/1	4607	800
12/2	WSM	400

Mr. L. Phillips, Secretary
New Wellington Mines Limited
774 Fort Street
Victoria, B. C., Canada

Re: Docket No. IMNA-4543 (Manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Phillips:

Thank you for your letter of November 21, 1958, and the accompanying royalty check.

We got in touch with Mr. Weber by telephone. The address given on the GSA settlement sheet is P. O. Box 111, Hamilton, Washington.

Sincerely yours,

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

cc: OME (2)
USBM (2)

2207

Cy sent to 800

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

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 21 1958		
DATE	INITIALS	CODE
11/21	C	220
11/21	WSM	400

November 17, 1958

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Inc.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Selfridge:

This is in reply to your letter of August 19, 1958, in which you ask if 20 tons of ore averaging 50.04 percent manganese is still stockpiled at the referenced mine.

On August 28, 1958, we were advised by E. A. Magill, Mining Engineer, U. S. Bureau of Mines, that he had talked to Mr. E. R. Gehrke, one of the owners of the mine. Mr. Gehrke said that ore had been sold by New Wellington Mines, Ltd. to Mr. Gordon H. Weber to "sweeten up" a shipment of ore that Mr. Weber was making from another property. He believed that only 8 tons had been shipped and that New Wellington had received an initial check of "about $80 which was to be followed by an additional check when final payment on the combined shipment was received." Magill stated that neither Mr. Weber nor Mrs. Oldring of New Wellington Mines, Ltd. could be reached at this time for exact details of the transaction. He also said that a DMEA sample which he took from the stockpile assayed 40.9 percent manganese.

We wrote the operator a letter on September 3, 1958 informing him that royalty was apparently due the Government. Two copies of this letter were sent to you. Mr. L. Phillips, Secretary, replied by letter dated September 19, two copies of which are enclosed. These should have been sent to you with the copies of our letter to the operator dated October 13, copies of which were sent to you. We have heard nothing further from the operator.

Meanwhile we received copies of the GSA settlement sheet and Magill talked to Mr. Weber. Mr. Weber has stated that he purchased from New Wellington Mines, Ltd. 7.5 long tons of ore and included it with a shipment of ore to the GSA depot at Butte, Montana under Lot No. 1040 dated March 13, 1958. He further stated that he

had paid New Wellington "the same price he had received from the GSA or about $51 per ton plus a proportionate share when he received the final settlement of $354." He also stated that he had taken all the ore that was stockpiled at the mine. It therefore appears that the estimate of 20 tons mentioned in the operator's final report was in error. As you know, an estimate of the tonnage in a small stockpile is extremely difficult to make with accuracy due to the voids between the pieces of rock.

The GSA settlement sheet for Lot No. 1040 shows that the grade of the shipment was 41.4 percent manganese, agreeing closely with the sample Magill took from the stockpile, and that Mr. Weber was paid $58.86 per ton. On this basis the 7.5 tons Mr. Weber bought from New Wellington Mines, Ltd. would be worth $441.45; the royalty due the Government on this amount would be $22.07.

We have written the operator again requesting payment of royalty and enclose two copies of our letter.

By Field Team Region I

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USBM (2)
USBM(AD)
Albee

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 21 1958		
DATE	INITIALS	CODE

So. 157 Howard Street
Spokane 4, Washington

November 17, 1958

New Wellington Mines, Ltd.
40 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-4543 (Manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Gentlemen:

This is in further reference to our letter of October 13, 1958, regarding royalty due the Government on ore mined from the ground subject to DMEA Contract No. Idm-E1072 and sold during the royalty period April 2, 1957 (the date of the contract) and August 5, 1958 (six months after receiving your final report). We have since been in touch with Mr. Weber and the General Services Administration.

Mr. Weber has stated that he purchased from New Wellington Mines 7.5 long tons of ore and included it with a shipment of ore to the GSA depot at Butte, Montana, under Lot No. 1040 dated March 13, 1958. He further stated that he had paid New Wellington "the same price he had received from the GSA or about $51 per ton plus a proportionate share when he received the final settlement of $354." He also stated that he had taken all the ore that was stockpiled at the mine.

The GSA settlement sheet for Lot No. 1040 shows that Mr. Weber was paid $58.80 per ton. On this basis, the 7.5 tons Mr. Weber bought from New Wellington Mines would be worth $441.45. The royalty due the Government on this amount would be $22.07. We would appreciate receiving your check for $22.07 made payable to the Office of Minerals Exploration, successor agency to DMEA, and mailed to the Executive Officer at the above address.

By Field Team Region I

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

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

cc: OME (2)
USBM (2)
USBM(AD)
Albee

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O. M. E.
RECEIVED NOV 21 1958

DATE	INITIALS	CODE

TELEPHONE 5-3212

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: [redacted] STREET, VICTORIA, B.C.
774 Fort

Victoria, September 18.

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 21 1958

DATE	INITIALS	CODE

Mr. A. [illegible] Weissenborn,
Executive Officer,
I.W.S.A. Field Team,
Region 1, South 157 Howard St.,
[illegible] 1 WASHINGTON, U. S. A.

Dear Sir:

RE: DOCKET NO. [illegible] MEA - 4547 (MA[illegible])
[illegible] A [illegible]
[illegible] LAL AV [illegible] ITY, [illegible]
[illegible] CONTRA [illegible] IDM 1[illegible]

Referring to your letter of [illegible] Secretary-ship of this Company in Mexico of the [illegible] from the fact that the agreement with the Company had terminated I had presumed all matters pertinent to it had been closed.

In all information I have gathered with respect to ore from our stockpile, a Mr. Gordon B. Weber who I am told runs a bottling works at Yakima, asked for and received .8 tons of good grade manganese to include in a shipment from his own adjacent claims.

The proceeds of the sale of the ore $[illegible].18 were paid into the First National Bank in Port Angeles on account of [illegible] loan. Whether this was the final accounting or not I do not know. I have heard nothing further from the bank or anything at all from Mr. Weber.

It is possible you have received the royalty direct from Mr. Weber?

Yours very truly,

NEW WELLINGTON MINES LTD (NPL)

L. Phillips
Secretary.

LP:mr.

No. 157 Howard Street
Spokane 4, Washington

October 13, 1958

10/20 WSM 220 400

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-4543 (manganese)
Bear Creek Manganese Mine
Chelan County, Washington
Contract No. Idm-22072

Gentlemen:

This is in reference to your letter of September 19, 1958, which was in reply to our letter of September 3, 1958, regarding the sale of ore from the Bear Creek mine.

It is the obligation of the Operator - in this case, New Wellington Mines, Ltd. - to pay royalty on production from the property subordinated under the contract from the date of the contract (April 2, 1957) until the lapse of time within which the Government could make a Certification of Discovery (August 5, 1958. This requirement is stated under Article 6 of the contract.

If the total proceeds of the sale of the ore was $333.16, then royalty due would be 5 percent or $16.66. Checks should be made payable to the Office of Minerals Exploration, successor agency to DMEA, and mailed to the above address.

Your early attention to this matter will be greatly appreciated so that we may close our books on this account.

By Field Team Region I

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

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

cc:

OME (3)
USGS (2)
USBM(AD)
Albee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
September 30, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 3 1958

DATE	INITIALS	CODE
10/3	C	220
10/3	HB	130
"	FEJ	110
10/7	HB	130
10/8	C	220
10/10	WSM	400

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Selfridge:

Enclosed are three copies of a Field Team final report on this contract.

A manganese-bearing structure was explored by 80 hours of bulldozing, 243 feet of drifting, and 56 feet of crosscutting and raising at a total cost of $10,957.50, of which the Government's share was 75 percent or $8,218.12. No new ore was discovered by the project and a certification is not recommended.

By Field Team, Region I

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

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

Enclosures
cc: USBM(2)
USGS(SRO)
Albee

Ft Final Report

Reviewed by
OME OPERATING COMMITTEE
10-7-58
(date)

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 3 1958

DATE	INITIALS	CODE
10/7	HB	130
		220

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

FIELD TEAM, REGION I

FINAL REPORT

Contract Idm-E1072

by

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

H. F. Albee
Geologist
U. S. Geological Survey

FT's FINAL REPORT

NEW WELLINGTON MINES, LTD.
640 Montreal Street
Victoria, British Columbia, Canada

Docket No.:	DMEA-4543
Commodity:	Manganese
Contract date:	April 2, 1957
Termination date:	September 30, 1957

BEAR CREEK MANGANESE MINE
Unorganized Mining District
Clallam County, Washington

Reviewed by
OME OPERATING COMMITTEE
10-7-58
(date)

Spokane, Washington

September 1958

CONTENTS

	Page
INTRODUCTION	1
Summary	1
Recommendations	1
LOCATION AND ACCESSIBILITY	2
PROPERTY	2
GEOLOGY	3
Regional Geology	3
Local Geology	4
PROJECT	5
Ore Reserves	6
Exploitation Possibilities	6
Summary of Factual Data	7
Discussion of Conclusions	8

ILLUSTRATIONS

Fig.		Map in pocket
1	Location Map	

Plate	
1	Geologic Map

FINAL REPORT

NEW WELLINGTON MINES, LTD.
Bear Creek Manganese Mine
Unorganized Mining District
Clallam County, Washington

Contract Idm-E1072

* * * *

INTRODUCTION

This report describes an exploration project carried out between the Defense Minerals Exploration Administration and New Wellington Mines, Inc., on the Bear Creek Manganese Mine in Clallam County, Washington.

Summary

The purpose of the contract was to explore for the extension of a manganese-bearing structure exposed in an open cut. The structure was to be explored by drifting, crosscutting, and raising. Work completed consisted of 80 hours of bulldozing, 243 feet of drifting, and 56 feet of crosscutting and raising at a total cost of $10,957.50. This work indicated that the manganese exposed in the open cut was in lenses of very limited tonnage. No new ore was discovered by the work carried out under the project nor were the limits of the known ore extended appreciably.

Recommendations

Inasmuch as no unknown ore was discovered by the project work a Certification of Discovery or Development is not recommended. It is believed that the deposit has been adequately explored and therefore Government participation in further exploration is not recommended.

LOCATION AND ACCESSIBILITY

The Bear Creek Manganese Mine is located in secs. 13 and 24, T. 30 N., R. 12 W., W.M., Clallam County, Washington. The property is 46½ miles west of Port Angeles, Washington, the principal supply point for the area. Port Angeles on U. S. Highway 101 has both rail and port facilities. The Bear Creek mine is reached by driving west 43 miles on U. S. Highway 101 to the small settlement of Bear Creek. From the settlement the Rainy Creek road is followed northeastward for about 2 miles where a road branches off and leads northward for another 1½ miles up a steep hillside to the deposit.

The topography in the area is of medium to sharp relief. Altitudes at the deposit range from 1,760 feet to about 1,900 feet.

A forest fire completely denuded the mine area of vegetation and trees about 20 years ago. Rainfall is heavy during the winter months and probably exceeds 50 inches per year. Snowfall is light and would only occasionally hamper operations.

PROPERTY

The property under the exploration project contract consists of four unpatented lode mining claims recorded in the Clallam County Recorder's office at Port Angeles, Washington, as follows:

Name	Book	Page
Bear Creek No. 1	9	335
Bear Creek No. 2	9	336
Bear Creek No. 3	9	304
Bear Creek No. 4	9	335

The claims are held by New Wellington Mines, Ltd., under contract with Victor Allen Oberg and his wife, Mabel I. Oberg, E. R. Gehrke, Jr., and Josephine Fox and Andrew Severyns as executors of the Estate of Hugh Gowan.

The property has been known for a number of years and was explored by a short adit prior to 1940. It is believed that the present owners relocated the property in the early 1930's. The only recorded production was in the fall of 1933 when 99.11 LDT of ore assaying 47.68 percent manganese and 15.73 percent silica plus alumina was shipped to the General Services Administration, Deming, New Mexico.

Workings on the property are 299 feet of combined drift, crosscut and raise and a large open cut. The underground workings stand quite well and required timber only near the portal. The open pit has a steep bank from which material is constantly sliding into the cut. Further work in the open cut would be very hazardous.

The underground workings make practically no water. Water is available on the property from a small stream several hundred feet west of the open cut.

GEOLOGY

Regional Geology

The geology and manganese deposits of the Olympic Peninsula have been described by C. F. Park, Jr., in "Manganese resources of the Olympic Peninsula, Washington," U. S. Geological Survey Bulletin 931-R, 1942, and by Stephen H. Green in "Manganese deposits of the Olympic Peninsula, Washington," State of Washington Division of Mines and Mining, Report of Investigations No. 7, 1945. Descriptions of the geology and ore deposits have been drawn freely from these reports.

The mountainous central part of the Olympic Peninsula contains closely folded argillites, graywackes, schists, and quartzites, probably of Cretaceous or early Tertiary age. These rocks are overlain, apparently conformably by at least 30,000 feet of alternating argillites, graywackes, volcanic rocks, red limestones, and red argillites of early middle Eocene age. Overlying the Eocene rocks are shales, sandstones, conglomerates, and volcanic rocks of younger Tertiary age.

The rocks of Eocene and later age extend in a horseshoe shape around all but the western border of the Olympic Mountains. In a broad way the rocks dip steeply away from the mountains and locally they are overturned. Strike faults are conspicuous along contacts between competent and less competent beds. Faults transverse to the bedding are generally of small displacement although a few have offsets of several hundred feet. Except for a few dikes and sills associated with the Eocene volcanic rocks, no intrusive rocks are recognized.

The manganese deposits have been found only in the red limestones, red argillites, and volcanic rocks of early middle Eocene age, and with few exceptions, are confined to a belt that ranges from 1 to 16 miles wide and is about 145 miles long.

The deposits are lenses, [illegible] beds, and pockets ranging from a few pounds to 15,000 tons of manganese silicates and oxides. The manganese minerals generally replace the red siliceous limestones near their contacts with basalt, and locally they replace red argillites and basalts. The dominant manganese minerals are the complex silicates bementite and neotocite which present difficult milling problems. In places, however, concentrations of hausmannite, a primary manganese oxide, make a high-grade ore, more amenable to concentration.

Local Geology

The country rock on the Bear Creek claims is a deeply weathered, soft, serpentinized basalt. The manganese deposits in the basalt are exposed as three separate lenses over a horizontal distance of approximately 170 feet and a vertical distance of approximately 40 feet (pl. 1). From the two main lenses a manganiferous structure can be traced southwest to the adit portal where small pods of manganese are exposed. The manganese-bearing structure, however, disappears into the back about 10 feet in from the portal, at which point it is barren.

The two main lenses, which dip flatly to the west, have a total exposed length of approximately 50 feet and an average thickness of 2 feet. The manganese consists of hausmannite and manganese silicates, but returns on shipments made prior to the contract indicated that the Operator would be able to sort the ore and obtain a high manganese and low alumina plus silica product.

The northeast bench at 1,830 feet altitude exposed a lens of manganese about 10 feet long and 2 feet thick that was terminated on the east side by a steeply dipping fault. A small tonnage of manganese was stockpiled from this lens.

The DMEA adit was collared on the continuation of the structure in which the main ore zone is exposed. As the structure was barren where it went into the back, the adit was continued in the footwall rock. Flat-lying but rolling gouge zones up to 4 inches thick were exposed along the walls. There were no manganese minerals exposed and no pronounced structures to follow so the adit was driven to a point below the main surface exposure of ore in order to raise to that zone. The raise surfaced at the best exposure of manganese mineralization in the open cut. This mineralization pinched out completely in the north wall of the raise. This shows the lenslike nature of the manganese mineralization even within the manganiferous zone. The manganiferous zone is cut off a few feet east of the raise by a fault which strikes N. 45° W. and dips 71° NE. The workings shown in plate 1 to the east of the fault and which are now completely bulldozed out may have been on a faulted portion of the ore body.

PROJECT

The occurrence of a persistent band of manganese mineralization in a geologic environment similar to that at the Crescent Mine, 13 miles to the east, warranted a modest exploration program on the Bear Creek claims.

An application for exploration work on the claims was first made in July 1953 by Victor Oberg of Port Angeles, Washington, under Docket No. DMEA-3137. The field examiners' report, dated September 2, 1953, recommended a modest exploration program consisting of 80 hours of bulldozing and 300 feet of underground work at an estimated cost of $12,500. This application was denied in November 1953.

The applicant continued work at the property and after shipping a second 50-ton carload of ore to the G.S.A. purchasing depot in Deming, New Mexico, in December 1953, requested that the application be given further consideration. After some correspondence between the Field Team and Washington, a contract was submitted to the applicant on September 7, 1954. In the meantime, Pittsburgh Steel Company had taken a 90-day option on the property and the applicant requested that he be allowed until January 1, 1955 to accept the contract. The extension was not allowed and the contract was cancelled on November 4, 1954. The applicant notified the Field Team on November 15, 1954, that he was ready to proceed with the exploration. The contract was reinstated and forwarded to the applicant for signature on December 9, 1954. The contract was returned to the Field Team unsigned on January 20, 1955, as Mr. Oberg had been unable to obtain financial backing to pay his share of the exploration costs.

New Wellington Mines Ltd., Victoria, British Columbia, Canada, obtained control of the property and in October 1956 submitted an application for exploration aid. The proposed exploration consisted of 500 feet of road work and 420 feet of crosscutting and drifting. The estimated cost of this work was $30,150.

A slightly modified unit cost contract effective as of April 2, 1957, was signed by New Wellington Mines. The contract authorized 80 hours of bulldozing, 350 feet of drifting, crosscutting and/or raising, and attendant services. The estimated cost of this work was $14,880.

Work under the contract started on July 1, 1957. The work completed under the program is shown on plate 1. The mineralized structure on which the drifting was being done pinched out within a few feet from the portal. The adit was then driven northerly and easterly and a raise put up to intersect the possible

extension of the manganese lenses exposed in the open cut. The raise showed that the mineralization, at least in that particular location, pinched out a few feet from the open cut face.

After completing 299 feet of underground work, the Operator made a proposal, which later was withdrawn, to use the 51 feet of unused footage in the contract to explore the manganese showings in the west end of the open cut.

Work on the project was stopped on September 9, 1957, and the contract was terminated by mutual agreement effective September 30, 1957.

No new manganese ore was found nor were the limits of the known ore appreciably extended by the exploration program; therefore, a Certification of Discovery or Development is not recommended.

Ore Reserves

The ore reserves were not enlarged by the exploration work, but the property does have a few tons of reserves in the open cut.

While bulldozing the open cut, the Operator hand-sorted approximately 20 tons of ore assaying 41.3 percent manganese. It is estimated that indicated reserves in the open cut are:

Length	50 feet
Width	2 feet
Depth	10 feet

$$\frac{50 \times 2 \times 10}{10 \text{ cu.ft./ton}} = 100 \text{ tons grade 24.2 percent manganese}$$

Inferred reserves are based on a total depth of 25 feet, giving

$$\frac{50 \times 2 \times 15}{10 \text{ cu.ft./ton}} = 150 \text{ tons grade 24.2 percent manganese}$$

Exploitation Possibilities

It is very doubtful if the estimated reserves in the open cut can be extracted profitably. The extremely steep and high bank would make any work in the cut very dangerous unless an excessive amount of material were removed to cut down the height of the high wall slope. It is not believed that the manganese mineralization continues into the hill for any great distance; therefore, underground operations would have to be carried on close to the surface and would make heavy timbering necessary.

Summary of Factual Data

	Authorized	Completed	Unit cost	Total cost
Bulldozing	80 hrs.	80 hrs.	$16.00/hr.	$ 1,280.00
Drifting, crosscutting and/or raising	350 feet	299 feet	30.00/ft.	8,970.00
Timbering	350 feet	51 feet 1/	7.50/ft.	382.50
Consultant	5 days	5 days	50.00/day	250.00
Accountant	5 days	5 days	15.00/day	75.00
Manganese assays	75 each	none	2.00 ea.	none
Total cost				$10,957.50

Total amount of contract	$14,880.00
Government participation at 75 percent	11,160.00
Total amount expended	$10,957.50
Government's participation	8,218.12
Total amount unexpended	$ 3,922.50
Government's share unexpended	2,941.88
Royalty received	none 2/

The Government has no equity in the equipment and supplies used at the project.

1/ 33 feet of timbering was disallowed because the contract did not authorize timbering in the raise.

2/ During the contract period the Operator stockpiled about 20 tons of ore assaying 41.3 percent manganese. It is reported that about 8 tons of this ore had been sold to Mr. Gordon H. Webber, P. O. Box 111, Hamilton, Washington, to complete a shipment from the Crescent mine. The GSA records in Butte, Montana, show that Mr. Webber made two shipments under Authorization No. 8-671. Lot 1, covered by Supplementary Acceptance Sheet, dated May 1, 1958, contained 48.9982 LDT ore valued at $2,884.23. Lot 2, Supplementary Acceptance Sheet, dated July 10, 1958, contained 59.9107 LDT ore valued at $4,554.69. The tons of Bear Creek ore commingled with one or both shipments is not known. No royalty has been received as of September 26, 1958.

Discussion of Conclusions

Underground work under the exploration project was carried out in an efficient manner. No unusual operating difficulties were encountered. The Operator appeared to be competent both administratively and financially.

The ore that was originally exposed by the surface work appeared to be fairly continuous and to have a definite structural control. The underground work proved that the mineralization was not continuous and apparently consisted of lenslike bodies within the structural zone. The ore on which the adit was started pinched out within a few feet. The raise proved that, at least in the location where it surfaced, there was no continuity of the ore exposed in the face of the cut.

Government participation in further exploration on the property is not recommended.

Enclosures
Distribution:
DMEA(3)
USBM(5)
USGS(SRO)
Docket
Albee

1201 N. Division St.
Spokane 2, Washington

September 3, 1958

9-8 C 220
9/8 [illegible] 800
9/9 NSM 400

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-151 (manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. [illegible]

Gentlemen:

It has come to our attention that a portion of the ore stockpiled at the Bear Creek mine has been sold.

Even though the Government has not certified a discovery as a result of work done under the DMEA contract, any ore mined between the date of the contract (April 2, 1957) and six months after the Operator has submitted an acceptable final report (August 5, 1958) is subject to the Government's percentage royalty. These requirements are described under Article 6 of the contract.

If the ore referred to above has been sold we would like to receive the name and address of the buyer, date of sale, tonnage and grade, and the amount received, together with a check in the amount of royalty due. The method of computing royalty is described under Article 6(e) of the contract.

Your check should be made out to the Defense Minerals Exploration Administration and mailed to A. H. Weissenborn, Executive Officer, DMEA Field Team, Region I, South 157 Howard Street, Spokane 4, Washington.

By Field Team, Region I

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

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

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

Re Cp Com. letter to FT 8/19/58.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-15	Holt	400
8-15	Chapman	400
8/19	GLS	130
"	Johnson	110
"	Weissenborn	100
8/28	N. G. O	220
		400

AUG 19 1958

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

Re: Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd.
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Weissenborn:

We would like to close out the above-noted contract, but find that 20 tons of ore has been stockpiled averaging 50.04 percent manganese. We would appreciate your advising us if to your knowledge this ore has been shipped or is still stockpiled.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

APPROVED:

P. F. Yopes (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

TLCHAPMAN:foc 8-15-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. Gilbert DeHuff, USBM
T. H. Kiilsgaard, USGS

8623

So. 157 Howard Street
Spokane 4, Washington

DATE		CODE
3/17	C	220
3/18		800
	WSM	400

Air Mail

March 12, 1958

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-4543 (Manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Gentlemen:

Enclosed for your information and files is a copy of Report of Review dated February 11, 1958 by C. A. Turner, DMEA Auditor. This Report of Review covers the period of July to September 1957, inclusive.

This report shows a balance due New Wellington Mines, Ltd., as $500. This money was scheduled for release March 5, 1958, and you no doubt have received payment by now.

Sincerely yours,

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

Enclosure

cc: DMEA (3)
USBM (2)
USBM (AD)
Turner

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1958

DATE	INITIALS	CODE
3/14	C	220
3/14	[illegible]	800
	WSM	400

So. 157 Howard Street
Spokane 4, Washington

Air Mail

March 10, 1958

Mr. Geoffrey Lines
Certified General Accountant
412 Standard Building
510 W. Hastings Street
Vancouver 2, B. C.

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-81072

Dear Mr. Lines:

We have delayed answering your letter of March 3, 1958 pending receipt of a report of review by our auditor. This we have just received and are mailing a copy to New Wellington Mines, Ltd. today. This should answer most of your questions.

The contract was terminated by mutual agreement effective September 30, 1957. Item 5 of the Termination Agreement preserves all rights of the Government respecting Certification of Discovery or Development, percentage royalty and liens to secure payment thereof, reports (including the preservation of Operator's records), accounts, audits, and the right to recover any overpayment. Should a discovery be certified, royalty on production would be due the Government until the sum of $8,218.12 contributed by the Government has been repaid or until April 2, 1967 whichever occurs first. Whether or not a discovery will be certified by DMEA, we do not know as this is a decision that must be made in Washington, D. C. This decision may be made any time up to 6 months from the date of receipt by the Field Team of the Operator's final report, which was February 5, 1958.

According to our auditor's Report of Review, there are no funds due the Government from New Wellington Mines, Ltd., other than the possibility of royalty from any ore shipments as described above. The final payment by the Government of $500 was scheduled for release on March 5, 1958 and should have been received by now.

Sincerely yours,

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

cc: DMEA (3) w/a copy of report
USBM (2)
USBM (AD)
Turner
CPF

GEOFFREY LINES

CERTIFIED GENERAL ACCOUNTANT

March 3rd 1958

United States Bureau of Mines
[illegible] Federal Building,
[illegible] 6, Washington, U.S.A.

Dear Sirs:

Re DMEA No.4543, Contract No.Idm-4 1072
United States [illegible] New Wellington
Mines Limited [illegible]

I have been instructed by New Wellington Mines Limited (N.P.L.) to audit the affairs of the company as at December 30th 1957. In this connection I would appreciate your direct confirmation that as at that date (November [illegible]) the contract was terminated, that there were no [illegible] contingent [illegible] by the company [illegible] the mining [illegible] to that date. I also understand that a final payment on the contract is due to the company of about $500.00 [illegible] you please confirm that this is so and also give me the exact figure.

I would greatly appreciate a reply by return mail since an annual general meeting of the company has been called for March 13th 1958. Thanking you in anticipation of your cooperation.

Yours truly,

Geoffrey Lines

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1958

DATE	INITIALS	CODE

1201 N. Division St.
Spokane 2, Washington

March 4, 1958

3-10 C 220
9/10 800
WSM 400

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

Re: Docket No. DMEA-4543 (manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mrs. Long:

The project work under the referenced contract was terminated by mutual agreement effective September 30, 1957. All the work performed was completed to the satisfaction of the Government.

The Government has no equity in materials or equipment used on the project.

A certification of discovery will not be recommended by the Field Team.

A final Report of Review dated February 11, 1958 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the Operator be made.

Sincerely yours,

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

cc: DMEA (2)
USGS (2)

Standard Form No. 1034 Revised
Form prescribed by
Comptroller General U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 1)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 2129

U.S. .....
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 3/5/58
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E1072

To New Wellington Mines, Ltd.
(Payee)

640 Montreal St. Victoria, B.C.
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	September 1957	Amount withheld when paying Voucher No. 2054, dated October 9, 1957				500	00
		FINAL PAYMENT					
		Use continuation sheet(s) if necessary					

PAYMENT:
Complete ☐
Partial ☐
Final ☐

Shipped from to Weight Government B/L No. Total 500 00

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

(Sign original only)

Date ..... *Payee .....
(This certificate not required when a like certificate is made by payee on attached bill or bills)

Per ..... Title .....

(Payee must NOT use this space)

Differences .....

Account verified; correct for 500 00

(Signature or initials) A. R.

Contract No. Date Req. No. Date Invoice Rec'd.

Pursuant to authority vested in me, I certify that this account is correct and proper for payment.

† Approved for $ .....

By .....

Title .....

SIGN ORIGINAL ONLY

† .....
(Authorized Certifying Officer)

Title .....

Date .....

THE REVERSE OF THIS FORM MUST BE EXECUTED WHEN PURCHASES ARE MADE OR SERVICES SECURED WITHOUT WRITTEN AGREEMENT IN ANY FORM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

Payee .....
(Sign original only)

Per .....

Title .....

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign on the line below "Approved for $.....", and over his official title.

16—22900-3

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

16—22900-2 ☆ U. S. GOVERNMENT PRINTING OFFICE : 1950—O-75806

Form 7
(56)

OFFICIAL FILE COPY

Date	Surname	Code
2-26	Chambers	800
2/27	C	220
	WSM	400

FEB 27 1958

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: DMEA-2123, Idm-E228
Pacific Northwest Mining Co.

DMEA-4090, Idm-E991
LaSota-Jones Lead and Zinc Corp.

DMEA-4543, Idm-E1072
New Wellington Mines, Ltd.

Dear Mr. Turner:

Your Reports of Review covering the above-cited projects are acceptable. You are authorized to make normal distribution.

Sincerely yours,

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/wb
February 26, 1958

Copy to: Docket (3)
Admr. Reading File
Mr. Chambers

8623

1201 N. Division St.
Spokane 2, Washington

February 10, 1958

2/19	C	220
	WSM	400

Mr. C. A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4543 (manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-X1072

Dear Mr. Turner:

Reference is made to our letter to you of February 5, 1958, and to paragraph 3 of Exhibit A of the contract under "Description of the Work."

It is with the Field Team's approval and in agreement with the Operator that the additional 6 feet of crosscutting and/or raising was carried out. Permission for this work was given to the Operator in the field by E. A. Magill, U. S. Bureau of Mines Field Team representative.

By Field Team, Region I

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

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

cc: DMEA (3)
USGS (2)
USBM (AD)

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

DMEA
RECEIVED FEB 10 1958
DATE | INITIAL | CODE
2/10 | C | 220
WSM | 400

February 7, 1958

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of the Termination Agreement. Other copies of the Termination Agreement have already been distributed.

Also enclosed are two copies of the Operator's Final Report dated January 28, 1958. This report is acceptable to the Field Team.

OPER'S FINAL REPORT

In our letter of December 4, 1957, we recommended that no "psuedo-certification" clause be included in the Termination Agreement nor that a formal Certification of Discovery be made.

By Field Team, Region I

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

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

Enclosures

cc: USBM (2)
USBM (AD)
Albee

OFFICE PHONES:
MARINE 0848
MUTUAL 3-5861

RESIDENCE:
WALNUT 2 7000

HENRY L. HILL & ASSOCIATES

CONSULTING MINING ENGINEERS

572 HOWE STREET
VANCOUVER 1, B.C.

February 3rd, 1958.

DMEA
RECEIVED
DATE

Mr. A. E. Weissenborn,
Executive Officer, DMEA,
U.S. Dept. of the Interior,
So. 157 Howard Street,
Spokane 4, Washington.

Dear Mr. Weissenborn:

Re: Docket No. DMEA-4543 (Manganese)
Bear Creek Manganese Mine,
Clallam County, Washington,
Contract No. Idm-K1072

DMEA

On behalf of Mrs. M. E. Oldring, Secretary-Director of New Wellington Mines Limited, Victoria, B. C., we are forwarding herewith five copies of our final report and map on the Bear Creek Manganese Mine, Clallam County, Washington, as requested in your letter of January 6th, 1958, to Mrs. Oldring.

Also enclosed are four signed copies of the Termination Agreement, forwarded to us by Mrs. Oldring, for inclusion with this report.

Yours very truly,

HENRY L. HILL & ASSOCIATES

Henry L. Hill

cc: Mrs. M. E. Oldring.

RECD
FEB 5 1958
U.S.G.S.
SPOKANE, WASH

OFFICE PHONES:
MARINE 0848
MUTUAL 3-5861

RESIDENCE:
WALNUT 2-7996

RECEIVED
FEB 5 1958
U. S. G. S.
SPOKANE, WASH.

HENRY L. HILL & ASSOCIATES
CONSULTING MINING ENGINEERS

572 HOWE STREET
VANCOUVER 1, B.C.

January 28th, 1958.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 10 1958

DATE	INITIALS	CODE

FINAL REPORT

on

THE BEAR CREEK MANGANESE DEPOSITS

CLALLAM COUNTY, WASHINGTON

INTRODUCTION

Since these deposits were first examined by the writer, on September 16th, 1956, they have been vigorously explored with D.M.E.A. participation, by New Wellington Mines Limited, of Victoria, B. C. Three lenses on the Bear Creek No. 1 Claim, a "float" occurrence on the Bear Creek No. 3 Claim and a deposit on the Victory Claim were investigated. The work, which included both surface stripping and underground exploration, was undertaken in an effort to locate orebodies of commercial size and grade. As two carloads of hausmannite had previously been shipped from the property, such exploration appeared to be justified. The work was contracted to Mr. Barney Bowles of Bear Creek, Washington. Valuable advice and assistance was rendered by Mr. E. A. Magill, Mining Engineer, Bureau of Mines, Seattle, Washington.

EXPLORATION DETAILS

At the request of New Wellington Mines, the writer visited the property on August 15th, 16th and 30th, 1957. The adit and the main surface bench were surveyed by transit, and the upper bench was tied to this survey by compass and tape. The survey is shown on the accompanying map. During the course of the exploration the following work was done:

EXPLORATION DETAILS (Continued)

(1) The main bench was widened by about 10 feet over a length of 80 feet, and most of the ore in the "B" outcrop was sorted out and stockpiled. The ore remaining in the face of the bench consists of a series of small pockets, averaging less than 10 inches wide, intermittently distributed along a flat-lying, undulating fault.

(2) An adit was started at the "A" outcrop, 33 feet lower than the main bench. This mineralization lenses out within a few feet, but the adit was continued as an exploration drift to the north and east for 270 feet, to a point almost directly under the main bench. As no ore had been encountered, drifting was discontinued and a two compartment vertical raise was driven 30 feet to the surface to explore any possible downward extension of the "B" outcrop. No ore was intersected in the raise.

(3) An upper bench was bulldozed to expose the "C" outcrop, 47 feet above the main bench. A small lens of manganese was gouged out, sorted and stockpiled.

(4) A cut was bulldozed on the Bear Creek No. 3 Claim, where several large pieces of manganese float had been discovered, but no ore was found in place.

(5) On the Victory claim a lense of bementite is exposed in an old opencut. A trench was bulldozed across the projected strike of this deposit above the open cut, but failed to reach bedrock. The open cut was subsequently enlarged by drilling and blasting.

RESULTS

As a result of this work, an estimated 20 tons of marketable manganese-oxide ore, assaying 50.04% Mn and 8.10% SiO_2, was obtained. All three deposits on the Bear Creek No. 1 Claim proved to be separate lenses with no depth extensions. No mineralization was encountered in either the adit or the raise.

CONCLUSIONS

All the known occurrences of manganese on these claims have now been investigated. Although it is quite possible that other deposits may exist in the area, their presence cannot be predicted. As it is evidently impossible to project such deposits to depth, or to determine their attitudes from surface exposures, future exploration of similar deposits should be confined to the immediate vicinity of the outcrops.

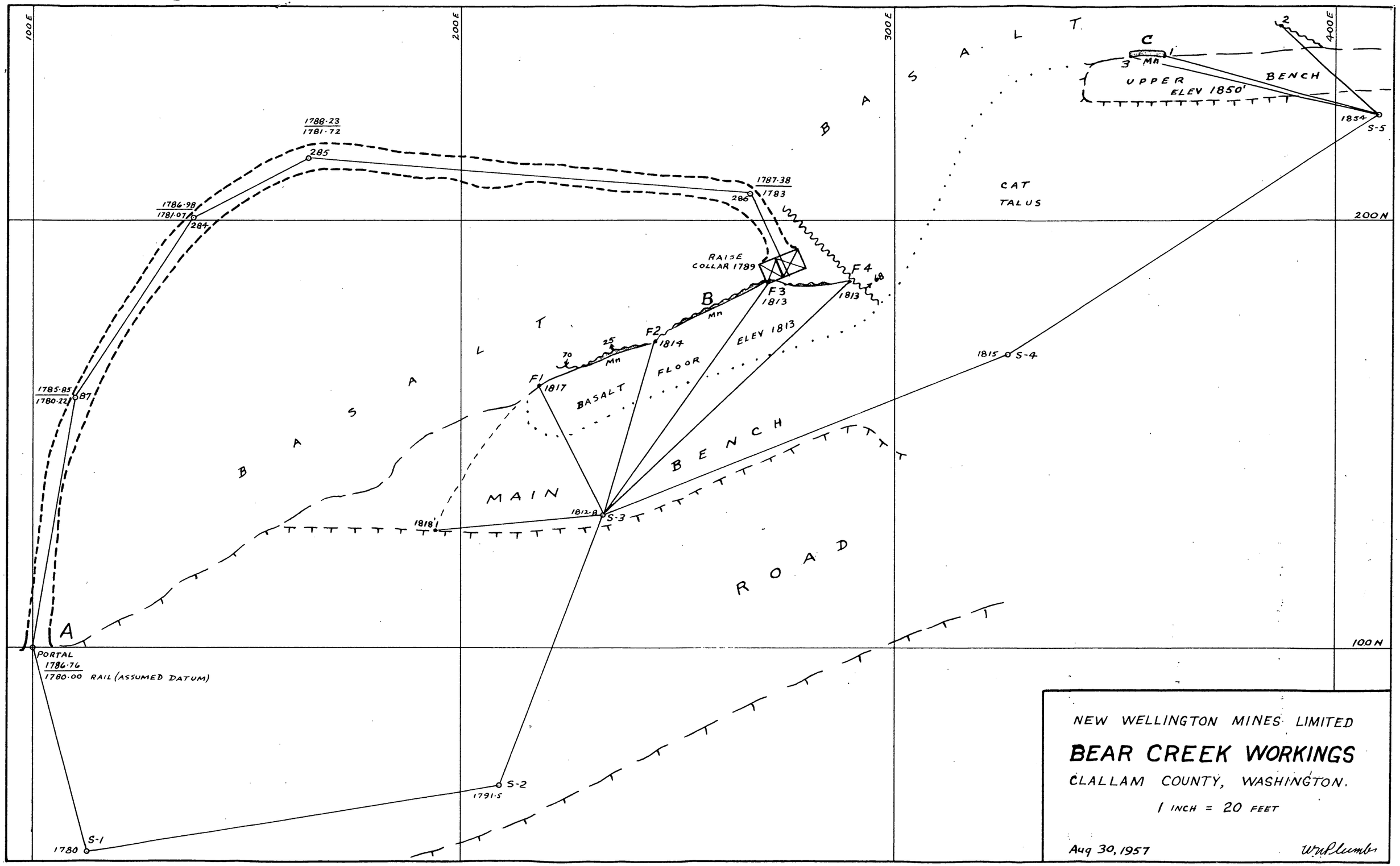
Respectfully submitted,

HENRY L. HILL & ASSOCIATES

W. N. Plumb, P. Eng.

WNP/mjr

Enclosure: Map "Bear Creek Workings", by W.N. Plumb.



NEW WELLINGTON MINES LIMITED

BEAR CREEK WORKINGS

CLALLAM COUNTY, WASHINGTON.

1 INCH = 20 FEET

Aug 30, 1957

W.H. Plumb

RECEIVED
DATE 2/18 C 220
WSM 400

1201 N. Division St.
Spokane 2, Washington

February 5, 1958

Mr. C. A. Turner
DMEA Auditor, Region I
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA-4543 (manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Turner:

The project work under the referenced contract was terminated by mutual agreement effective September 30, 1957. All the work performed was completed to the satisfaction of the Government.

A final inspection report on the completed work was submitted by E. A. Magill on September 17, 1957.

The Operator's final engineering and geological report was received on February 5, 1958. It is considered as having met the requirements of Article 5(c) of the contract.

A certification of discovery will not be recommended by the Field Team.

The Government has no equity in materials or equipment used on the project.

Work units completed within the terms of the contract are as follows:

	Authorized	Completed
Bulldozing	80 hours	80 hours
Drifting	300 feet	243 feet
Crosscut and raise	50+ "	56 "
Timbering drifts or crosscuts	350 "	51 "
Consultant	5 days	5 days
Accountant	5 days	5 days
Manganese assays	75	none reported

It is now in order for you to issue your Report of Review.

By Field Team, Region I

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

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

cc: DMEA (3)
USGS (2)
USBM (AD)

So. 157 Howard Street
Spokane 4, Washington

DMEA
RECEIVED JAN 20 1958
DATE | | NOTE
1-10 | gb | 220
1/10 | | 800
| WSM | 400

Air Mail

January 6, 1958

Mr. M. E. Oldring
Secretary-Director
New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C.

Re: Docket No. DMEA-4543 (Manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Oldring:

Enclosed are the original and four copies of an agreement terminating the DMEA contract for the exploration of the Bear Creek Manganese deposit as requested in your letter of November 25, 1957. If the terms and conditions of this agreement are satisfactory, please sign all the copies, retain the one marked "Operator's copy" and return the rest to this office.

Your attention is called to the provision in the contract and in the terminating agreement which requires you to submit a final report and map (5 copies each). We would appreciate receiving this as soon as possible so that final payment can be made and our books can be closed.

We have been advised by our Washington office that the intention of the contract is that the cost of raising includes timbering and that the timbering allowance is for drifting and crosscutting only. We cannot authorize payment for double footage in the raise as you request since the contract clearly indicates a fixed unit cost of $30 per foot for driving a 6- by 8-foot raise.

We regret that the exploration was not successful in finding ore.

Sincerely yours,

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

Enclosures

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/23	Hopkins	400
12/23	Martin	400
12/23	Shumway	142 ~~800~~
12/23	[illegible]	130
		~~410~~
"	Rettendorf	10 ~~30~~
12/23	[illegible]	220
12-23	Chambers	800
		400

DEC 24 1957

Nelson

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

Re: Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Weissenborn:

Enclosed are the original and four copies of a proposed Termination Agreement for the above-referenced contract, signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team.

If the conditions and terms of the proposed agreement are satisfactory to you and the Operator, all five copies should be signed by the Operator and the usual distribution made.

If any of the conditions and terms of the proposed agreement do not have your approval or that of the Operator, and cannot be altered within your delegated authority, the original and all copies are to be returned to this office, together with the proposed changes for consideration.

Your letter of December 5, 1957, suggests an amendment allowing payment for timbering in raise. The intention of the contract is that the cost of raising includes timbering. The timbering allowance is for drifting and crosscutting only.

8623

We considered adding a clause in the termination agreement to provide that any ore removed through DMEA workings would be subject to royalty during the allowable ten year period, but decided that policing the property would cost more than any possible royalties that might be received.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

TLCHAPMAN/dlm 12-23-57

CC to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I

Messrs. Gilbert DeHuff, Jr. USBM
T. H. Kiilsgasrd, USGS

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

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 23 1957

DATE	INITIALS	CODE
12/23	C	220
	WSM	400

December 16, 1957

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Selfridge:

This will acknowledge receipt of your letter of December 6, 1957, inquiring about the status of the New Wellington Mines, Ltd., contract. You no doubt have received by now our letters of December 4 and December 5, 1957. The first discusses termination and certification, and the second asks for an amendment to allow for payment of raise timbering.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM (2)
Albee

No reply necessary
WSM 12/23/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 10 1957

DATE	INITIALS	CODE
12/10	gb	220
		130
12/11	WSM	400

VIA AIR MAIL

December 5, 1957

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

7T- 12/5/57

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

Dear Mr. Selfridge:

The Operator under the cited contract completed 299 feet of drifting, crosscutting and raising of which 35 feet of raise was timbered and 6 feet untimbered. (See Magill's final inspection report dated September 17, 1957.)

299
41 R
258 Raise

In carefully going over the Operator's letter of November 25, 1957 (copy of which was sent to you with our letter of December 4) to determine if the Operator had a valid complaint, we note that under the contract the Government cannot reimburse the Operator for timbering the raise.

You will note that the contract authorizes 350 feet of drifting, crosscutting and raising as well as 350 feet of timbering; however, the timbering is limited to drifts and crosscuts. We believe that it was the intention of the contract to pay for the raise timbering at the unit cost of $7.50/ft., or the same as in drifts and crosscuts.

In order that the Operator may be reimbursed for raise timbering we recommend that the contract be amended to authorize it. This can be done by deleting

"Timbering drifts or crosscuts, 350 feet
@ $7.50/ft. 2,625.00

and substituting

"Timbering drifts, crosscuts and/or raises
350 feet @ $7.50/ft. 2,625.00

12-11-57
Conferred to:
BSM & LS
fmc

With further reference to our letter to you of December 4, 1957, we shall pay for the timbering if an amendment is written, authorizing us to do so, but we do not believe that the Operator's request for double footage on the raise is a valid one.

By Field Team, Region I

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USGS (2)
USBM (AD)

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

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957

DATE	INITIALS	CODE
12/9	glt	220
		130
12/9	WSM	400

December 4, 1957

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-E1072

7T Memo
12/4

Dear Mr. Selfridge:

This is in further reference to your letter of October 29, 1957 and our teletype of November 13, 1957.

Enclosed are four copies of a memorandum dated November 8, 1957, from E. A. Magill in reply to the first four paragraphs of your letter, regarding his recommendation that no certification of discovery or development be issued.

Also enclosed are two copies of a letter dated November 25, 1957 from the Operator requesting termination, and asking for additional payment for raising because the raise was two compartment. We will reply to the Operator telling him that no such allowance as he requests can be made as the contract clearly indicates a fixed unit cost of $30 per foot for driving a 6- by 8-foot raise.

We recommend that a mutual termination agreement be prepared and that no "psuedo-certification" clause be included or formal certification of discovery be made.

By Field Team, Region I

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

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

12-9-57
Copies to:
USBM
E.S.

Enclosures

cc: USBM (2)
USBM (AD)
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957
DATE | INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1201 N. Division St.
Spokane 2, Washington

November 8, 1957

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Letter from Chairman, Operating Committee, dated October 29, 1957 regarding Docket No. DMEA-4543 (manganese) New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

In answer to and in clarification of questions brought up by Mr. Selfridge in the subject letter:

In the second paragraph of the subject letter my memorandum of September 26 is quoted in saying that I did not believe that further exploration is warranted. What was meant by that statment (and it is not clear in the memo) is that I do not believe additional funds should be allocated to the project over the amount called for under the present contract.

The statement quoted in paragraph 4 in regard to the project not having made a new ore discovery is correct. The work which has been carried out under the DMEA contract discovered no ore that was not known to exist at the start of the contract. The ore presently exposed in the open cut and from which the two samples mentioned in paragraph 4 were taken was known to exist at the start of the contract. The extension of this ore was the target for the project. The adit and raise driven under the contract disclosed no ore although the raise surfaced at a point where sample EAM-A2 containing 21.4 percent manganese was taken. The manganese mineralization pinches out in the 7 or 8 feet back from the open pit face which was broken out by the raise.

There remain two possibilities for extension of the manganese lens exposed in the open pit. One is the possibility that the manganese exposed in the west end of the pit (32.3 percent manganese with a width of 2 feet and length of 10 feet) may continue back into the hill. This is the target which the Operator presently wishes to explore. The DMEA adit undoubtedly crosses beneath the lens if it does have an extension for any appreciable distance.

The Operator has discussed the possibility of raising to intercept the extension with the 51 feet remaining in the contract. It will undoubtedly take over 51 feet of work to determine if the lens has an extension, which extra work the Operator says they will do on their own account. I believe that the Operator should be allowed to use the remaining footage in the contract to determine if this western exposure has an extension.

The second possibility for the continuation of the lens is the extension of the zone which was faulted off by the strong fault at the east end of the open pit. Movement of the east section appears to have been southeastward and possibly downward. The size of this faulted section is of course unknown. At the point where it is faulted off, the mineralized zone is from 1 to 2 feet in thickness but of poor grade.

If the project is terminated at the present time we have no basis for claiming a discovery. If the Operator is allowed to use the 51 feet remaining in the contract, there is the possibility that an extension of the ore in the west end of the mineralized zone may be located. Consequently, it is recommended that the Operator be allowed to use the remaining footage; by doing so the intent of the contract is not changed and it does not appear that an amendment would be necessary for the use of such footage.

E. A. Magill

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

TELEPHONE 5-3212

RECEIVED
BUREAU OF MINES
DEC 3 - 1957
SPOKANE, WASH.

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: 640 MONTREAL STREET, VICTORIA, B.C.

November 25, 1957

United States Bureau of Mines,
215 Federal Building,
Seattle 4, Wash.

RE: D.M.E.A. Contract 1072
Docket No. 4543

Dear Sirs,

After recent close examination and due consideration, we feel that further monies spent on our Bear Creek property would be ill advised, therefore we would request that the existing Contract IDM-E 1072 be closed.

We were of the firm opinion when our last report was sent in that the allowable 350 feet of work had been completed. We understood from the wording of the contract that double footage was allowable in the raise both for driving and timbering, since the contract called for a double compartment raise.

We would further reqest that the Department reconsider the abovementioned footage, and make some allowance for the work that was accomplished in good faith.

DMEA

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 9 1957
DATE INITIALS CODE

Yours very truly,

New Wellington Mines Ltd.,

M.E.Oldring, sec.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12-6	Chapman	400
12-6	Martin	400
12/6	[illegible]	130
"	Johnson	110
"	Rutledge	100
12/9	[illegible]	220
		400

DEC 6 1957

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

Re: Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd. (N.P.L.)
Bear Creek Mine
Clallam County, Washington
Contract No. Idm-51072

Dear Mr. Weissenborn:

Your teletype of November 13, 1957, suggested that we delay the preparation of a Termination Agreement until more has been heard concerning a proposal promised by the Operator. Please advise us whether you have had any further word from the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (GCS)
Member, Bureau of Mines

N. E. Nelson (GCS)
Member, Geological Survey

TLCHAPMAN/dlm, 12-6-57
cc to: Code 400
Admr. R. File
Oper. Comm
FT. REG. I
Messrs. Gilbert DeHuff, R. USBM
T. H. Kiilsgaard, USGS

8623

XDXXXXXX-057K

YWA063 WAF SP 8 I-GS-G

SPOKANE WASH 11-13-57 0930U

MR GEORGE C SELFRIDGE , CHAIRMAN DMEA OPERATING COMMITTEE

WA

REURLET OCTOBER 29 DOCKET DMEA 4543 NEW WELLINGTON MINES. SUGGEST YOU DELAY PREPARING TERMINATION AGREEMENT PENDING RECEIPT OF OPERATORS PROPOSAL PROMISED SOON. FIELD TEAM PROBABLY WILL RECOMMEND TERMINATION BUT FEEL DUTY BOUND TO GIVE OPERATOR EVERY CONSIDERATION.

A E WEISSENBORN

29 4543

SLP 0933U

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 14 1957

DATE	INITIALS	CODE
11/14	C	220
	WSM	400

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10-23	Chapman	400
10-23	Martin	400
10-25	Chamberlin	800
10/29	[illegible]	130
"	[illegible]	110
		~~[illegible]~~
10/29	gb	220
		400

OCT 29 1957

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

Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd. (N.P.L.)
Bear Creek mine
Clallam County, Washington
Contract No. Idm-71072

Dear Mr. Weissenborn:

Reference is made to the memorandum of September 26, 1957, by T. A. Magill, Bureau of Mines, advising that a slab round at west end of open cut at the subject project exposed 2 feet of 32.3 percent manganese over a length of 10 feet. The memorandum also advised that the Operator is requesting further exploration assistance.

The second paragraph of the same memorandum concludes from the work completed to date that further exploration is not warrented, but that the Operator should be permitted to use the 51 feet remaining in the contract. In cases where further exploration is found to be unwarranted it is not our practice to allow driving of remaining footage for the sole purpose of using it up.

In his inspection report of September 17, 1957, Mr. Magill advised that the project was closed down on September 9, 1957, and that the rail and pipe had been removed from the tunnel and that the compressor was removed from the property. We note the statement in this earlier report:

"As far as the exploration project is concerned, no new ore reserves were discovered in the work, and it is recommended that no certification of discovery be issued." However, the same reports show two samples with the following values:

8623

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

Sample No.	Description	% Mn.
BAM-A1	Vertical channel sample across 4 feet. Near west end of exposed mineralized zone 60 feet west of fault.	25.6
BAM-A2	Vertical channel sample 2 feet in length across mineralized zone. 20 feet west of fault.	21.4

We would therefore appreciate amplification of the recommendation that no certification of discovery or development be issued.

By letter of October 10, 1957, Field Team advised the Operator that he might request further exploration assistance by letter, stating specifically the work desired and estimating the cost. This letter mentioned that there remained 51 feet of work unused. It also noted that while nothing could be suggested that might lead to a significant discovery, the Field Team would gladly consider any proposal.

So far no copy of letter from the Operator requesting more work has been received here.

It has been suggested that unless we hear further from you or the Operator by November 15, 1957, we should consider the project terminated, and prepare a termination agreement. We would appreciate your suggestions or recommendations.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (GCS)

Member, Bureau of Mines

W. P. Williams (GCS)

Member, Geological Survey

TLChapman/dlm 10-23-57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. G. DeHuff, Jr. USBM
T. H. Kiilsgaard, USGS

8623

OFFICIAL FILE COPY DMEA RECEIVED		
DATE		
10/14	C	220
10/14	[illegible]	800
10/15	WSM	400

So. 157 Howard Street
Spokane 4, Washington

October 10, 1957

Mr. M. E. Oldring
Secretary-Director
New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C.

Re: Docket No. DMEA-4543 (Manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-51072

Dear Mr. Oldring:

In your Narrative Report of Progress dated September 9, 1957, you requested a set of forms in order to apply for additional work at the Bear Creek mine. If you wish to make such a request you may do so in the form of a letter in quintuplet, stating specifically what you propose to do, what you estimate the cost to be, and giving a brief geologic justification for your proposal.

According to our field men there remain unused 51 feet of drift, crosscut and raise. We have discussed with them the possibilities of additional work that might lead to a significant discovery but cannot suggest anything that we can recommend to the DMEA. However, we will be glad to consider any proposal you might care to make.

By Field Team, Region I

D. R. MacLaren, Alternate
Acting Executive Officer
U. S. Geological Survey

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

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

1201 N. Division St.
Spokane 2, Washington

October 9, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE	[illegible]	CODE
10/14	C	220
10/14	[illegible]	800
10/14	WSM	400

New Wellington Mines, Inc.
640 Montreal Street
Victoria, British Columbia (Canada)

Re: Docket No. DMEA-4543
Contract No. Idm-E1072
Monthly operating report for
September 1957

Gentlemen:

This is to inform you the subject voucher could not be paid in the full amount claimed.

The deletions are explained in the attached copy of a memorandum to the Field Team from the Certifying Officer, Region I.

By Field Team, Region I

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

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

cc: DMEA (2)
USGS (2)
AD

DMEA Field Team, Region I

October 9, 1957

DMEA Certifying Officer, Region I

Contract Idm-E1072
Monthly operating report for September 1957

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

The drifting, crosscutting, raising and timbering footages shown by the Operator as having been accomplished under the contract are in excess of those given in the final inspection report by the project engineer dated September 17, 1957; therefore, a disallowance of $1,777.50 has been made as follows:

51 ft. crosscutting, drifting, raising @ $30/ft.	$1,530.00
33 ft. timbering @ $7.50/ft.	247.50
	$1,777.50

We have withheld $500 pending receipt of Operator's final report and final audit by a representative of the Contract Administration and Audit Division of Defense Minerals Exploration Administration. This is the customary procedure and is applicable to all contracts.

Dorothy Long

cc: DMEA (2)✓

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

Budget Bureau No. 42-R1036.5

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

RECEIVED 14 1957

Month of September, 1957 Docket No. DMEA 4543 Contract No. IDM-E-1072
Operator's Name New Wellington Mines Ltd.,
Minerals Manganese
Address 640 Montreal St., Victoria, B.C. (Canada)
Contract Amount, $ 14,880.00 Government Participation: 75 % Amount, $ 11,160.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY (WSM): Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		$ 1,280.00	1,280.00		1,280.00	1,280.00
Crosscutting						
Drifting & raising	5,400.00	5,100.00	10,500.00	2870.00	5,100.00	8,970.00
Timbering	510.00	120.00	630.00	262.50	120.00	382.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Consultant	250.00		250.00	250.00	—	250.00
Accountant	75.00		75.00	75.00	—	75.00
TOTALS	6,235.00	6,500.00	12,735.00	4457.50	6,500.00	10,957.50

TLC
Here we have the FT saying "No certification recommended" and the operator asking for more work.

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

Date Sept. 9th *Payee New Wellington Mines Ltd.

Per M E Oldring Title Sec.-Dir.

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

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

(Instructions on reverse)

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

$ 2843.12

Signature Forrest F. Lang
(Authorized Certifying Officer)

Date 10/9/57 Vou. No. 2054

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1077 in accordance with the terms of the contract.

Signature Elmer A. Mogill Title Mining Engineer Date Sept 16, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Oct. 3, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED OCT 14 1957 D.M.E.A.

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1957 Docket No. DMEA 4543 Contract No. IDM-E 1072
Operator's Name New Wellington Mines Ltd. Minerals Manganese
Address 640 Montreal St., Victoria, B.C. (Canada)

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	ft.			5,100.00	170ft	$30/ft	170	$30/ft
Crosscutting	ft.	3,360.00	112ft	3,360.00	112ft	30/ft	112	30/ft
Raising	ft.	2,040.00	68ft	2,040.00	68ft	30/ft	68	30/ft
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
~~Test Pits~~ Bulldozing	hr.			1,280.00	80	$16/hr.	80	$16/hr
~~Roads and Trails~~ Consultant	day	250.00	5 days	250.00	5 days	50/day	5	50/day
~~Timbering~~ Acct.	day	75.00	5 days	75.00	5 days	15/day	5	15/day
~~Timbering~~	~~ft.~~	~~510.00~~	~~68ft~~	~~630.00~~	~~84 ft.~~	~~7.50/ft~~	~~350~~	~~7.50/ft~~
TOTAL DISTRIBUTED COSTS		6,235.00		12,735.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6,235.00		12,735.00				

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

Date Sept. 9th Operator New Wellington Mines Ltd.

Per M. E. Oldring Title Sec.-Dir.

REMARKS: Contract completed, full report by our Engineer will be forwarded as soon as possible. Progress report attached hereto.

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

(Instructions on reverse)

(For Government use only)

/s/ Elvin A. Magill

INSTRUCTIONS

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

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

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

GPO 872894

TELEPHONE 5-3212

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: 640 MONTREAL STREET, VICTORIA, B.C.

September 9,1957

Progress Report:

Allowable contract completed at this date. No appreciable mineralization encountered. Crosscut and raise was aimed at intercepting surface mineralization which apparently pinched out. 16 feet of the crosscut allowable was used in slashing the other surface showing. (85ft x 18 inch) This seems to be widening, so would request necessary forms to make application for additional assistance to drive another crosscut and raise behind this outcrop.

A full report on the Contract work will be forwarded within ten days. (As soon as we recieve it.)

M E Oldring
Sec -Dir.

Original on file
DMS
RECEIVED 1957

DMEA Field Team, Region 1 October 9, 1957

DMEA Certifying Officer, Region 1

Contract Idm-21072
Monthly operating report for September 1957

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

The drifting, crosscutting, raising and timbering footages shown by the Operator as having been accomplished under the contract are in excess of those given in the final inspection report by the project engineer dated September 17, 1957; therefore, a disallowance of $1,777.50 has been made as follows:

51 ft. crosscutting, drifting, raising @ $30/ft.	$1,530.00
33 ft. timbering @ $7.50/ft.	247.50
	$1,777.50

We have withheld $500 pending receipt of Operator's final report and final audit by a representative of the Contract Administration and Audit Division of Defense Minerals Exploration Administration. This is the customary procedure and is applicable to all contracts.

Dorothy Long

cc: USGS (2)
Contract Admin. & Audit Div. (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957

DATE		
10/15	WSM	400
		130
		400

September 26, 1957

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Docket No. DMEA-4543 (manganese), New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Wash., Contract No. Idm-E1072

In his September 1957 monthly operating report the Operator requests forms to apply for additional DMEA aid to crosscut to the west end of the exposure in the open cut. The Operator has put in a slab round at this point which disclosed that the manganese mineralization became stronger back of the face. After the slab round the good mineralization was exposed for over 2 feet in width and along a strike length of 10 feet. A grab sample of the ore broken from this round averaged 32.3 percent manganese.

From the work completed to date on the exploration program it is not believed that further exploration is warranted. However, if the Operator wishes to use the footage remaining in the present contract to explore this showing, I think he should be permitted to do so. There remains in the contract a total of 51 feet which could be used to drift over to the exposure. By drifting from the top of the raise it should be possible to drift on the mineralized zone the entire distance. Drifting off the raise would make for a safe operation whereas any work carried out in the open pit very definitely cannot be considered as safe.

E. A. Magill

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

September 17, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE
10/9	Com	100
10/14	WSM	400

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Final inspection report, Docket No. DMEA-4543 (manganese), New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

A visit was made to the property on September 13, in company with Ronald Van Noy, Bureau of Mines engineer. No one was working at the property at the time of the visit. It is understood that the work was shut down on September 9. Rail and pipe have been removed from the adit and stacked near the portal. The compressor has been removed.

Since the last visit to the property on August 15 the main adit has been turned sharply south and a raise put through to the surface. The raise holed out (see attached map) a few feet to the west of the strong fault in the open cut. No manganese mineralization was cut in the crosscut and reportedly there was no mineralization cut in the raise. The raise could be examined for only about the first 15 feet above the adit level because there was only 10 feet of ladder in it. The raise is two compartment with the west compartment a waste chute; overall dimensions are approximately 10x7 feet with the chute being about 4x7 feet. Raise sets are on 5-foot centers and the raise is timbered to the surface, a distance of 35 feet. The raise then continues on for about 6 feet as an untimbered cut. The manganese mineralization exposed in the main open cut was intersected just above the timbered portion of the raise. At this point it appears to be striking parallel with the face of the cut and dipping flatly southward. The structure at this point is quite weak and contains very little manganese. No attempt was made to follow the structure back into the hill from the top of the raise.

The Operators have slabbed off the mineralized structure in the face of the open cut about 20 feet west of the raise. The slabbing disclosed a zone about 12 feet in strike length which is several feet (lower edge covered with muck) or more in thickness. A grab sample of the broken ore from this exposure was taken for assay.

Final Inspec. Report

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 10/7/57

Referred to:

1. ~~Mr. McCandless~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files
7. 400

Note comments in report regarding:

1. Required Study
2.
3.
4.

and take appropriate action.

- - - - - - - - -

Action taken by Division:

Robert E. Adams RB

The two samples which were taken at the time of the last visit across the mineralized structure in the face of the open cut assayed as follows:

Sample EAM-A1 Vertical channel sample across 4 feet. Manganese oxides and silicates. Near west end of exposed portion of mineralized zone 60 feet west of fault. Assayed 25.6% manganese.

Sample EAM-A2 Vertical channel sample 2 feet in length across mineralized zone. Manganese oxides and silicates. Taken 20 feet west of fault. Assayed 21.4% manganese.

5 As far as the exploration project is concerned, no new ore reserves were discovered by the work, and it is recommended that no certification of discovery be issued.

The status of the contract as of September 13, 1957 is as follows (the Operator considers it completed):

Contract date: April 2, 1957
Termination date: January 2, 1958
Amount of contract: $14,880.00
Amount spent: 6,500.00 (thru Aug. 12)

	Authorized	Completed
Bulldozing	80 hours	80 hours
Drifting, crosscutting, raising	350 feet	299 feet
Timbering	350 feet	51 feet
Consultant	5 days	5 days
Accountant	5 days	5 days
Manganese assays	75	none reported

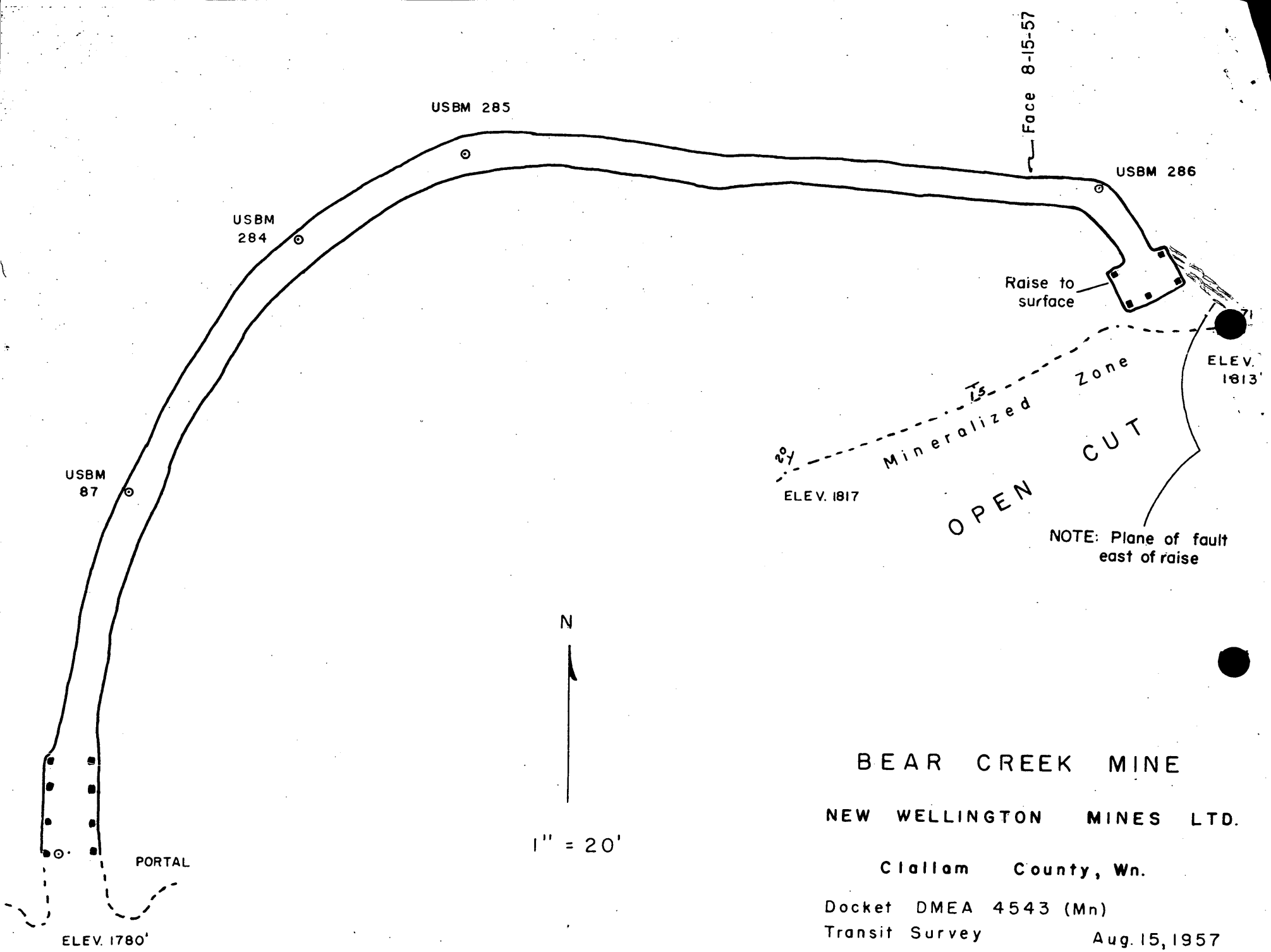
The above timbering, raising, crosscutting, and drifting figures represent quite a difference from those claimed on the September MF-104 of the Operator. It is not known how the Operator measured the footages they claimed.

Bulldozer work by the Operator on the manganese exposure to the east of the main open cut disclosed that the exposure was only a small lens. There is presently a manganese exposure less than 2 feet in diameter left in the banks of the cut from the bulldozer work.

The project work was carried out in a satisfactory manner and no unusual difficulties were encountered in the work.

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

E. A. Magill


Face 8-15-57
USBM 285
USBM 286
USBM 284
USBM 87
Raise to surface
ELEV. 1813'
Mineralized Zone
OPEN CUT
ELEV. 1817
NOTE: Plane of fault east of raise
N
1" = 20'
PORTAL
ELEV. 1780'
BEAR CREEK MINE
NEW WELLINGTON MINES LTD.
Clallam County, Wn.
Docket DMEA 4543 (Mn)
Transit Survey
Aug. 15, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 7 1957

DATE	INITIALS	CODE

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

September 10, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: Howard F. Albee, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-4543 (manganese), New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

The property was visited September 5, 1957. The drift had been continued on the same bearing for about 10 feet beyond the face of August 15, 1957, then turned and driven about normal to the mineralized zone exposed at the surface. At 20 feet beyond the turn a raise was driven 33 feet to the surface. The raise broke through along the faulted zone and only one small pod containing a few tens of pounds of ore was encountered.

The two samples shown on the accompanying figure were taken August 15, 1957, by E. A. Magill, U. S. Bureau of Mines, They represent what appeared to be the two best exposures of manganese in the open cut at that time. The same face was exposed in the open cut on September 5, 1957, although it was being drilled then for a slab round.

The foreman of the operation stated that when the slab round was pulled and the shaft covered, they were ceasing operations.

Howard F. Albee

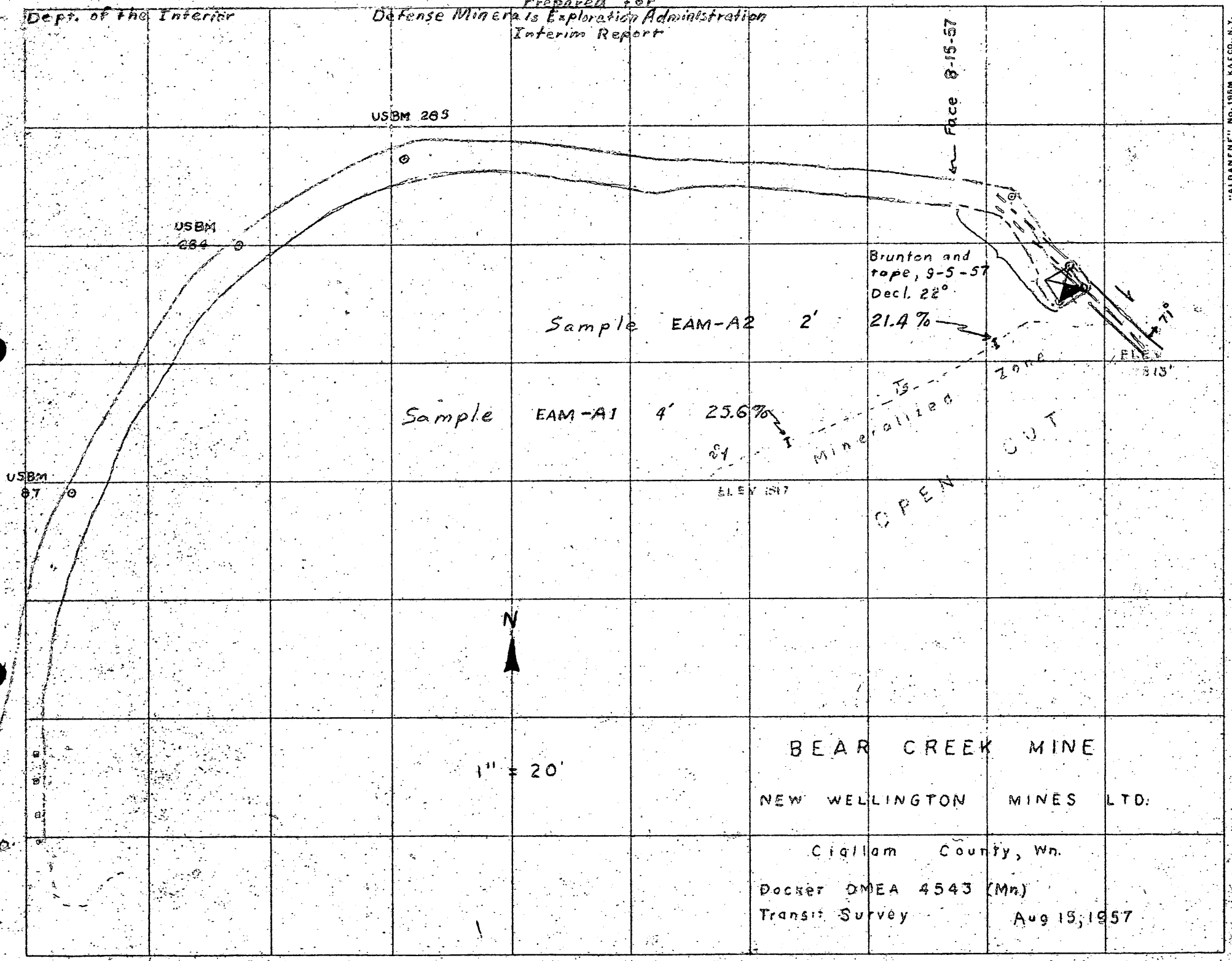
Attachment 1

Distribution:
DMEA (Orig. & 3)
USBM (2)
USBM (AD)
Docket
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE
9-17 C 220
9/18 WSM 400

Dept. of the Interior

Prepared for
Defense Minerals Exploration Administration
Interim Report



"ALBANENE" No. 195M K&E CO., N.Y. REG. U.S. PAT. OFF.

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 16 1957

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1201 N. Division St.
Spokane 2, Washington

ORIGINAL FILE COPY
DMEA
9-17 C 220

August 21, 1957

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Interim inspection, Docket No. DMEA-4543 (manganese), New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

A visit was made to the subject property on August 15. M. E. Oldring, secretary of New Wellington Mines, Ltd., and W. N. Plumb of Henry L. Hill and Associates, Vancouver, B.C., who are consultants for New Wellington Mines were on the property at the time of the visit.

Driving of the adit is being carried out on a double shift six days a week under contract to Bernard Bowles.

Since my last inspection report covering my visit to the property on July 30, the heading has been advanced 143 feet. This makes the status of the work under the contract as of August 15, as follows:

Contract date: April 2, 1957
Termination date: January 2, 1958
Amount of contract: $14,880.00
Amount spent: 6,500.00 (as of 8/12/57)

	Authorized	Completed
Bulldozing	80 hours	80 hours
Drifting, crossuctting, raising	350 ft.	253 ft.
Timbering	350 ft.	16 ft.
Consultant	5 days	1 day
Accouhtant	5 days	0
Manganese assays	75	0

The underground work has failed to intersect any significant manganese mineralization. The wall rock is basalt with minor faults and fractures very common. In the face there is a seam of red argillaceous rock about 6 inches in width exposed. Similar rock can be seen locally in the open pit above. It is very doubtful that this seam could be correlated with a surface exposure; in fact it probably doesn't extend that far.

During the visit, help was given to Mr. Plumb in making a transit-tape survey of the underground workings and the mineralized zone in the open pit (see attached sketch which is based on results of transit survey). This survey indicated that the face of the adit was 25 feet in back of and 31 feet (rail) beneath the approximate center of the mineralized zone exposed in the open cut.

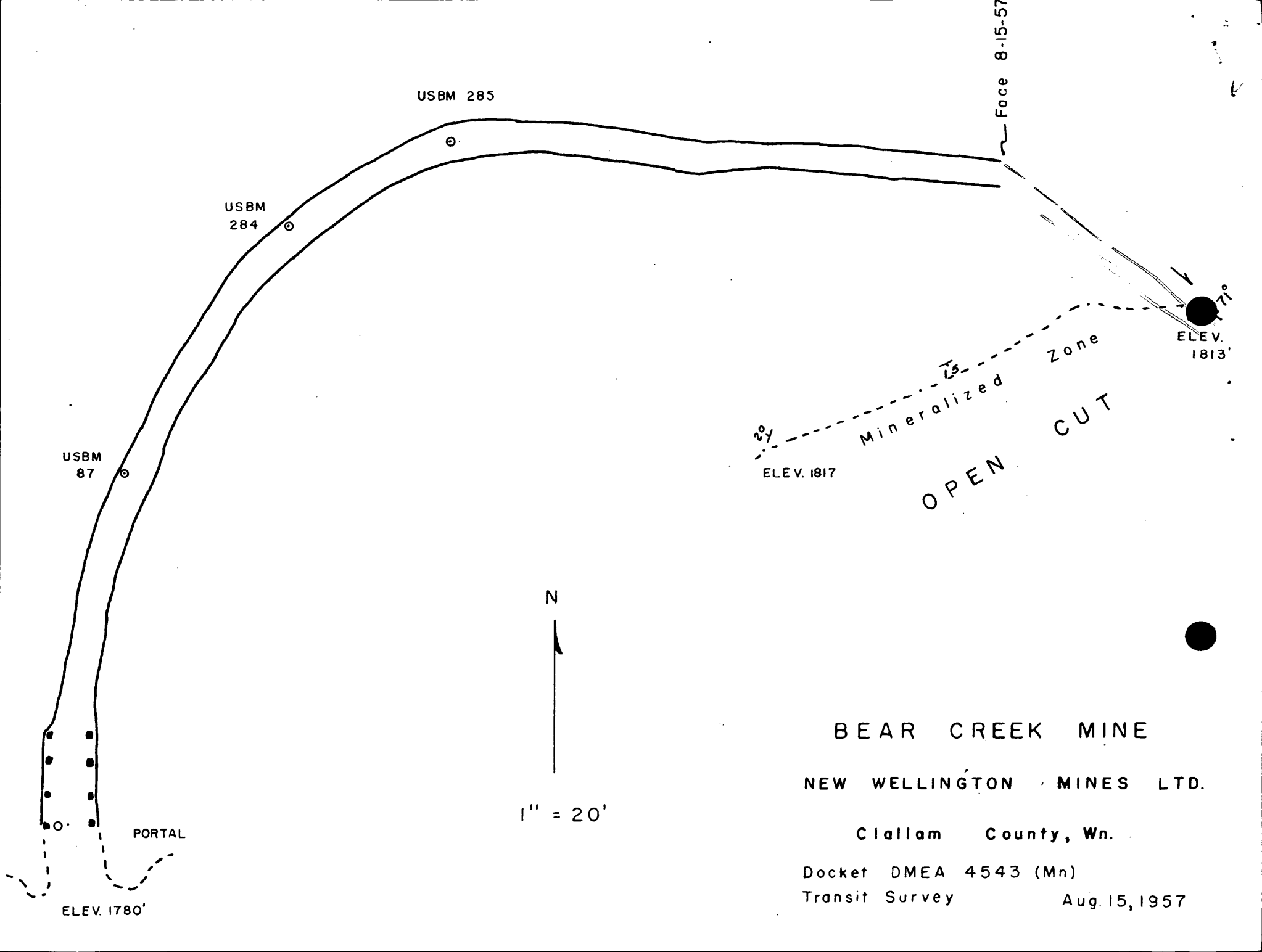
Inasmuch as no manganese mineralization had been cut in the adit it was decided after a conference with Mr. Plumb and Mr. Bowles to make a sharp turn in the heading to the south and advance the heading (southward) about 15 feet. Then a vertical raise would be put up for 31 feet to intersect the projection (mineralized zone appears to lie essentially flat) of the mineralized zone. The zone would then be drifted on (southward about 10 feet) to the surface for ventilation purposes. If the zone does lie flat then a drift would be carried northward on the zone to determine how far back into the hill the mineralized zone carries.

The Operator has been doing some bulldozer work for their own account on two manganese lenses near the eastern boundary of the main open cut. At the time of the visit they were using a D-8 to make a cut into the hill on these two exposures. The exposures are each about 7 feet in length and up to 2 feet in width. The Operator hopes that they will widen out as they go into the hill. So far they have mined about 20 ton of ore from the main open cut and the two exposures to the east. Further work in the main open cut is deemed too dangerous because of the high steep bank. Two channel samples were cut in the face of the open cut across the mineralized zone.

Work under the contract is being carried on at a rapid rate and should be completed shortly after the 1st of September.

E. A. Magill

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


Face 8-15-57
USBM 285
USBM 284
USBM 87
ELEV. 1813'
71°
Mineralized Zone
15
20
ELEV. 1817
OPEN CUT
N
1" = 20'
PORTAL
ELEV. 1780'
BEAR CREEK MINE
NEW WELLINGTON MINES LTD.
Clallam County, Wn.
Docket DMEA 4543 (Mn)
Transit Survey
Aug. 15, 1957

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

RECEIVED AUG 26 1957 D.M.E.A.

Budget Bureau No. 42-R1036.5

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

Month of August 12th 1957 Docket No. DMEA 4543 Contract No. DMEA 1072
Operator's Name New Wellington Mines Ltd. Minerals Manganese
Address 540 Montreal St., Victoria, B.C. (Canada)
Contract Amount, $ 14,880.00 Government Participation: 75 % Amount, $ 11,160.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY WSM: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		1,280.00	1,280.00		1280.00	1280.00
Crosscutting						
Drifting	3,600.00	1,500.00	5,100.00	3600.00	1500.00	5100.00
Timbering		120.00	120.00		120.00	120.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3,600.00	2,900.00	6,500.00	3600.00	2900.00	6500.00

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

Date Aug. 12/57 *Payee New Wellington Mines Ltd.

Per M. E. Dring Title Gen.-Mgr.

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

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

(Instructions on reverse)

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

$ 2900.00

Signature Dorothy F. Fry
(Authorized Certifying Officer)

Date 8/21/57 Vou. No. 2027

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 1072 in accordance with the terms of the contract.

Signature Elmer A. Magill Title Mining Engr Date Aug 19, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Exec. Officer Date Aug. 20, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 872893

FORM MF-104A
(April 1962)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 12th 1957 Docket No. DMEA 4543 Contract No. DM-E 1072
Operator's Name New Wellington Mines Ltd. Minerals Manganese
Address 640 Montreal St., Victoria, B.C. (Canada)

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	3,600.00	120ft.	5,100.00	170ft	30/ft	350	30/ft.
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
~~Trenching~~ ~~Bulldozing~~	Hr.			1,280.00	80	16/hr.	80	16/hr.
Test Pits								
Roads and Trails								
~~Timbering~~	~~Ft.~~			~~120.00~~	~~16~~	~~7.50/ft.~~	~~350~~	~~7.50/ft.~~
TOTAL DISTRIBUTED COSTS		3,600.00		6,500.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,600.00		6,500.00				

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

Date Aug. 12th. Operator New Wellington Mines Ltd.

Per M. E. Dring Title Sec.-Dir.

REMARKS: Progress report attached hereto.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

TELEPHONE 5-3212

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: 640 MONTREAL STREET, VICTORIA, B.C.

Progress report .

Tunnel now 170 feet in from portal, gently curving to the right. No concentrated mineralization encountered yet. At fifty feet interval foot wall commenced to drop and hanging wall to raise. Expect to be directly behind surface outcrop this week and probably raise to intersect possible ore at level of outcrop.

McBldring

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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 19 1957

DATE	INITIALS	CODE
19	Com	100
8/20	WSM	400

August 8, 1957

MEMORANDUM

To: DMEA Field Team, Region I

From: Howard F. Albee, Geologist, U. S. Geological Survey

Subject: Interim Inspection Report, Docket No. DMEA-4543 (Manganese), New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

The subject property was visited on August 6, 1957 with E. A. Magill, Mining Engineer, U. S. Bureau of Mines.

The purpose of the visit was to check the structure within the adit to see if it had been cut off by a fault and if so to see if the adit could be directed in such a way as to again pick up the structure.

The adit was collared on a structure which is clearly exposed above and to the east of the portal. This structure appears to be a continuation of the one in which the main ore zone is exposed (fig. 1). The structure is extremely weak and disappears in the back at about 18 feet in from the portal. The adit was continued in the footwall material and exposes flat lying but rolling gouge zones up to about 4 inches thick along the walls. No particular structure or mineralized material were followed to the present face.

The rock is highly fractured at all angles and several faults are apparent, although no evidence showing the directions of movement was seen. Inasmuch as no persistent structures were seen for the adit to follow and as no direction of movement along the faults could be determined, no recommendations can be made to change the location of the heading.

The Operator was given an alinement of approximately N. 7.6° E. along which to continue the adit for about 75 feet. From this point the ore exposed at the surface near station 1 (fig. 1) is southerly about 50 feet and about 30 feet above. A crosscut and/or a raise can then be driven to intersect the possible northerly extension of the exposed ore.

Enclosure

Distribution:
DMEA (Orig. & 2)
USBM (2)
USBM (AD)
Docket
Albee

U.S. DEPT. OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
INTERIM REPORT

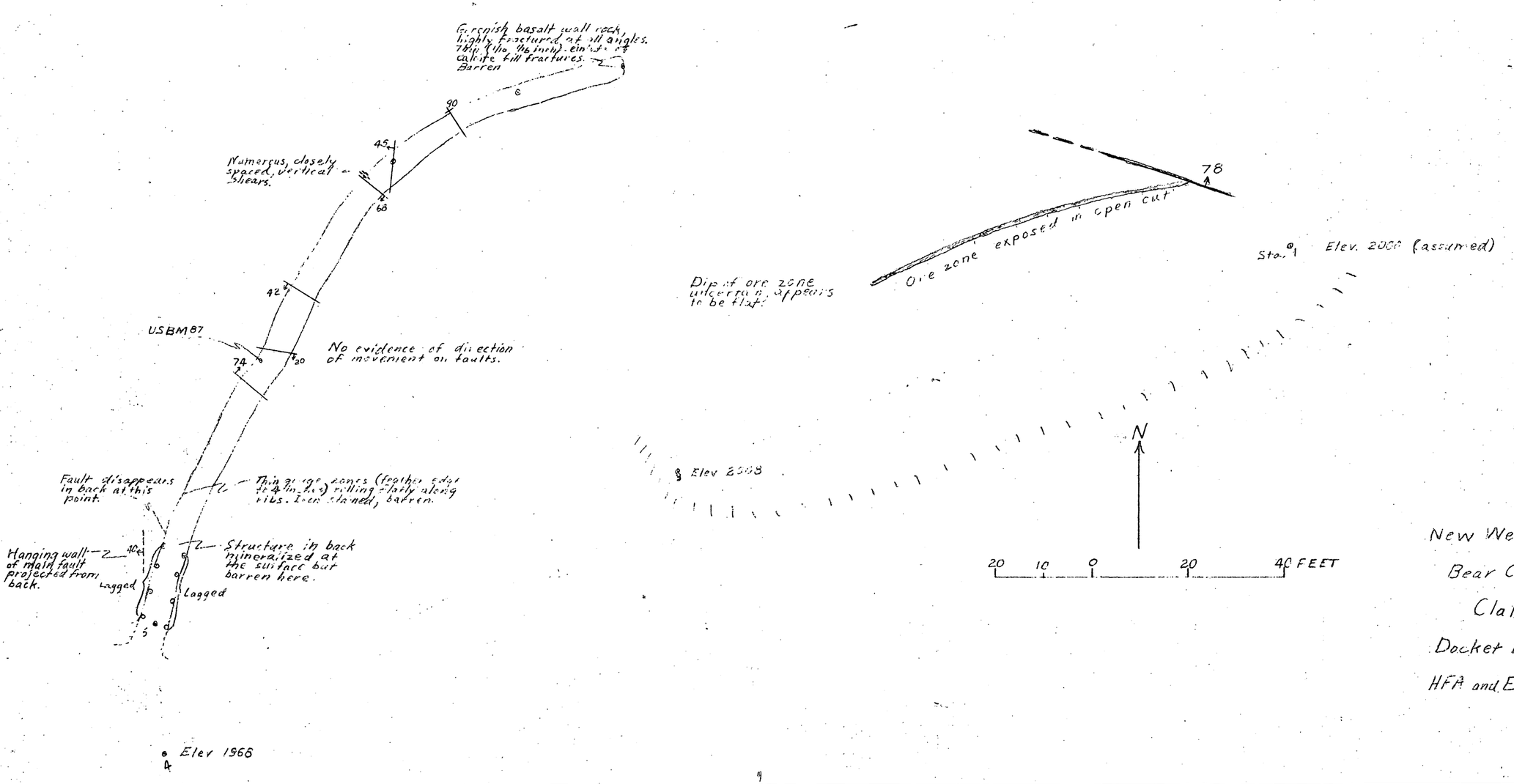


Fig. 1
New Wellington Mines, Ltd.
Bear Creek property
Clallam County, Wn.
Docket DMEA 4543 (Mn)
HFA and EAM 8/6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

ORIGINAL FILE COPY
DMEA
RECEIVED AUG 19 1957

DATE	INITIALS	CODE
19	Conw	100
8/20	WSM	400

August 1, 1957

MEMORANDUM

To: DMEA Field Team, Region I

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

Subject: Interim inspection, Docket No. DMEA 4543 (manganese), New Wellington Mines Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

The subject property was visited on July 30, 1957. M. E. Oldring, secretary of New Wellington Mines, and Bernard Bowles, who is driving the adit under contract, were at the property during the visit.

Since the last visit to the property on July 1 the adit has been collared and driven for 110 feet. Timber has been installed for only the first 16 feet near the portal. The timber sets are 5 x 7 feet in the clear. The basalt in the remainder of the adit, although highly fractured, appears to stand well. Mr. Bowles' attention was drawn to a point a few feet inside the innermost set where a loose slab needed catching up.

The adit was collared on the structure which is clearly exposed in the bank above the portal. In the adit the hanging wall of the structure (fault) can be seen in the back. What is apparently the footwall has been followed by the adit for about 55 feet to where a steeply-dipping cross fault cut it off and it is lost. No manganese mineralization of any consequence was seen along the structure underground. In fact it appears that the structure may have been lost or decreased very greatly in strength only a few feet inside the timber. It is possible that by following the hanging wall of the fault (which appears in the back) there might have been a more definite structure to follow. In any event the last 55 feet of the adit has not been driven on any particular structure or mineralization. This problem was discussed with the Operator and it was decided to continue the adit in a circular direction approximately another hundred feet, so as to bring it around to the north of the exposure in the open cut. From that point it would be possible to crosscut or raise to intersect the continuation of the mineralization exposed in the pit.

Are we getting into a development deal here

The work is being carried out on a double shift basis, working six days a week. Advance is approximately 5 feet per shift. Drilling is with an air leg-mounted jackhammer. Air is furnished by a 105 cfm gasoline drum compressor. Hand mucking with a one ton rocker dump car is used for removing the blasted material.

Attached is a sketch of the adit and its relationship to the exposure in the open cut where the Operator is mining high grade. Difficulty was experienced in checking compass bearings; consequently the relative positions on the map may be in slight error.

The Operator has improved the road so that it is now possible to drive a passenger car up to the pit.

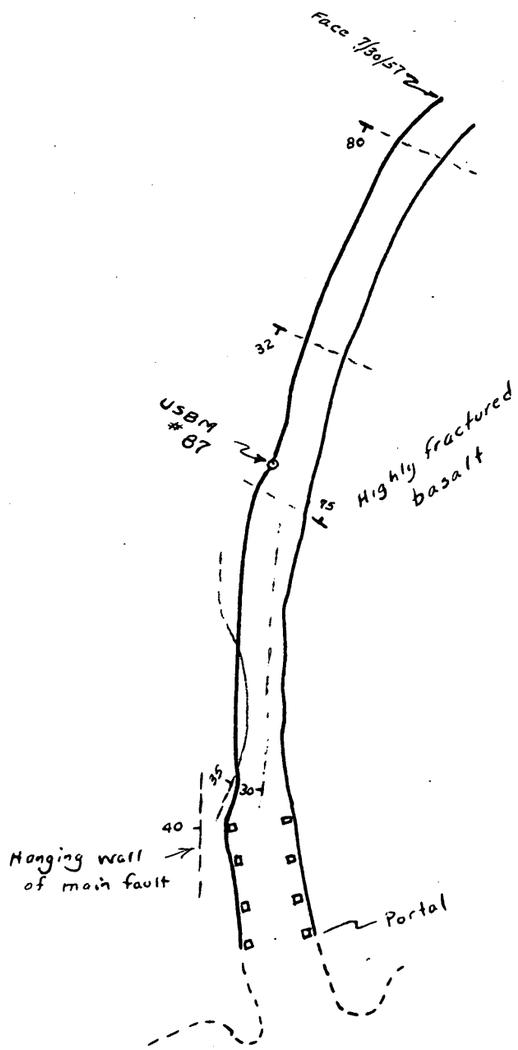
The status of the work under the contract, as of ~~July~~ August 1, 1957, is as follows:

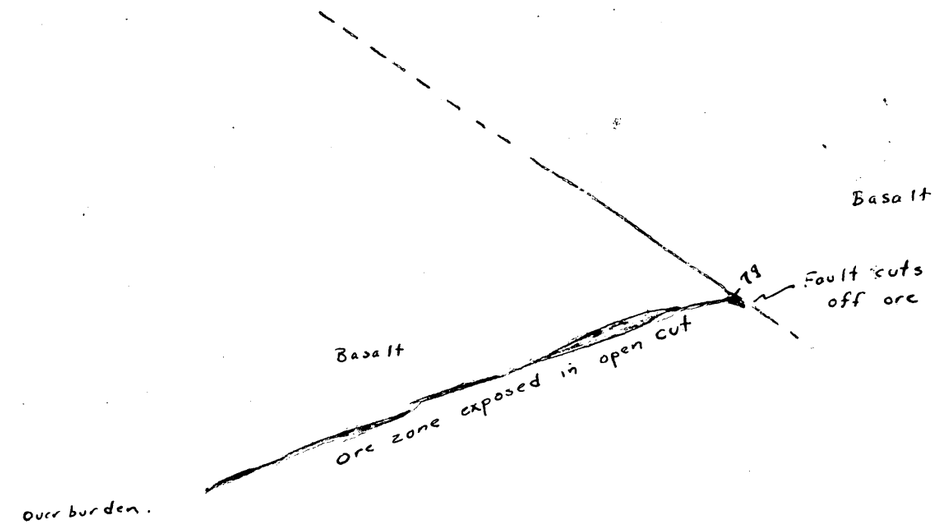
Contract date:	April 2, 1957
Termination date:	January 2, 1958
Amount of contract:	$ 14,880.00

	Authorized	Completed
Bulldozing	80 hours	80 hours
Drifting, crosscutting, raising	350 feet	110 feet
Timbering	350 feet	16 feet
Consultant	5 days	0
Accountant	5 days	0
Manganese assays	75	0

E. A. Magill

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





Scale 1" = 20'

Note - Compass bearings are erratic near adit

BEAR CREEK MINE
Clallam County, Wn

DMEA Docket 4543 (Mn)

EAM 7/31/57

1201 N. Division St.
Spokane 2, Washington

August 6, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE	INITIALS	CODE
8/12	Q	220
8/12	EEP	800
8/13	WSM	400

New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B.C.

Re: Docket No. DMEA-543 (Manganese)
New Wellington Mines, Ltd.
Contract No. Idm-B1072
Monthly operating report for
July 1957

Gentlemen:

This is to inform you the subject voucher could not be paid in the full amount claimed.

The deletion is explained in the attached copy of a memorandum to the Field Team from the Certifying Officer, Region I.

By Field Team, Region I

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

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

cc: DMEA (2)
USGS (2)

DMEA Field Team, Region I August 6, 1957

DMEA Certifying Officer, Region I

Contract Idm-R1072
Monthly operating report for July 1957

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

A deletion of $255.00 for 34 feet of timbering at $7.50/ft. has been made. A field check by the inspecting engineer on July 30, 1957 determined that only 16 feet of timbering had been installed.

Dorothy F. Long

cc: DMEA (2)
USGS (2)

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

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

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

Month of July, 1957 Docket No. DMEA 4543 Contract No. IDM-B 1072
Operator's Name New Wellington Mines Ltd., Minerals Manganese
Address 640 Montreal St., Victoria, B.C. (Canada)
Contract Amount, $ 14,880.00 Government Participation: 75% Amount, $ 11,160.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY (WSM): Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	80 hours		1,280.00	1280.00	—	1280.00
Crosscutting						
Drifting	50 feet		1,500.00	1500.00	—	1500.00
Timbering	50 feet		375.00	120.00	—	120.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS			3,155.00	2900.00	—	2900.00

RECEIVED AUG 12 1957 D.M.E.A.

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

Date July 20/57 *Payee New Wellington Mines Ltd.

Per M E Olding Title Secretary

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

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

(Instructions on reverse)

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

$ 2175.00

Signature Dorothy F. Long
(Authorized Certifying Officer)

Date 8/6/57 Vou. No. 2018
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 1072 in accordance with the terms of the contract.

Signature /s/ Elwin A. Magill Title Mining Engr. Date July 29, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ A. E. Weissenborn Title Executive Officer Date July 31, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 57 Docket No. DMEA 4543 Contract No. IDM-E 1072
Operator's Name New Wellington Mines Ltd. Minerals Manganese
Address 640 Montreal St., Victoria, B.C. Canada.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	$1,500.00	50	$1,500.00	50	$30/ft.	350	$30/ft.
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
~~xxxxx~~ Bulldozing	Hr.	1,280.00	80	1,280.00	80	$16/hr.	80	$16/hr.
Test Pits								
Roads and Trails		120.00	16	120.00	16			
Timbering	ft.	375.00	50	375.00	50	7.50/ft.	350	7.50/ft.
		2900.00		2900.00				TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		3,155.00		3,155.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		2,900.00		2,900.00				
TOTAL COSTS		3,155.00		3,155.00				

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

Date July, 1957 Operator New Wellington Mines Ltd. Victoria, B.C.

Per M E Oldring Title Sec.-Dir.

REMARKS: Progress report attached hereto.

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

(Instructions on reverse)

(For Government use only)

RECEIVED AUG 12 1957 D.M.E.A.

INSTRUCTIONS

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

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

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

GPO 83-38475

TELEPHONE 5-3212

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: 640 MONTREAL STREET, VICTORIA, B.C.

July, 1957

Docket No. DMEA 4543
Contract No. IDM-E 1072

PROGRESS REPORT on Bear Creek claims, Clallam County, Washington.

Work was commenced June 28th, 1957 on the Bear Creek Claims by having the bulldozer prepare the portal site and build up the roadway. Necessary equipment for drifting was shipped in the following week. Timbers for portal purchased and delivered to site. Actual tunnelling started July 5th, following well defined fault, with approximately seven feet between the foot wall and the hanging wall. 55 feet in we are still on the fault, sparse Manganese mineralization, increasing in volume as we progress. Hanging wall now raising as we drift with a gentle right hand curve. Foot wall pinching in to nearly center of drift at the 50 foot interval.

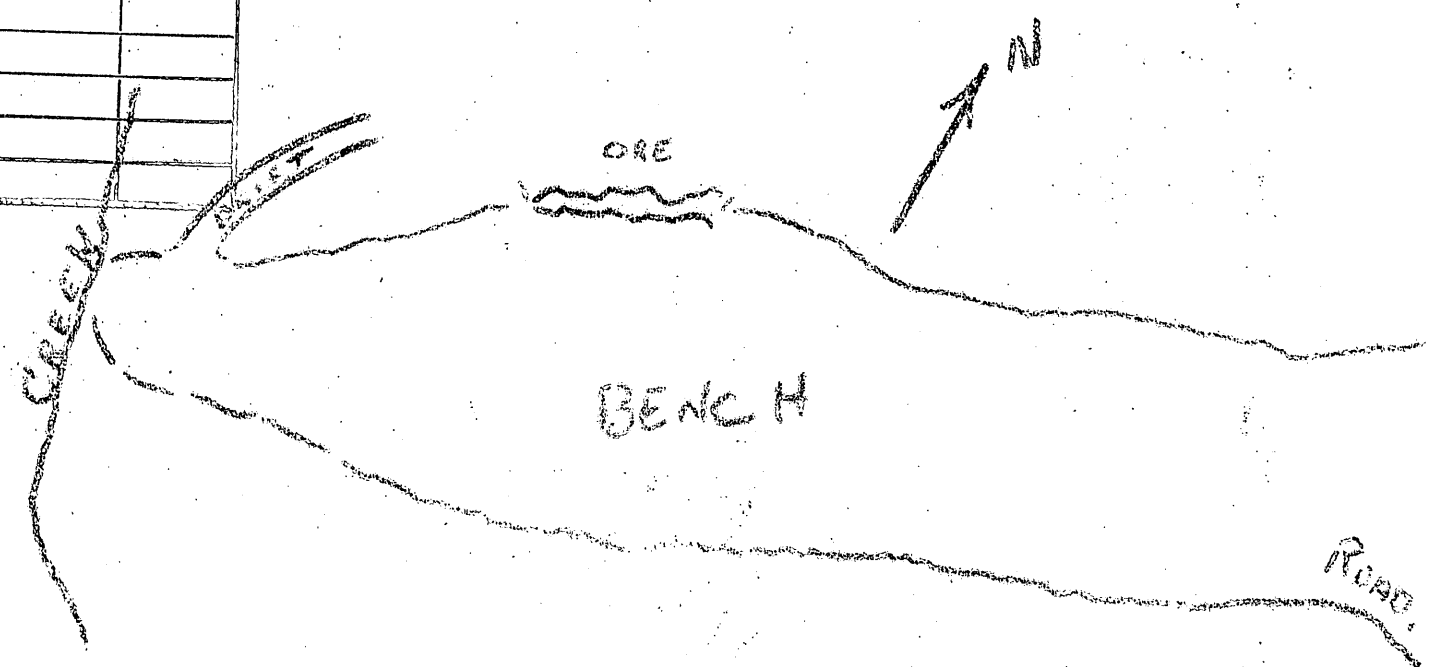
On the outside and approximately 200 feet Northeast and 25 feet above the drift, bulldozer cleared off considerable talus and exposed 85 feet of ore varying from 1½ inches to 2 feet in thickness. Have gently shot this to lift the ore and get it out. After the first shots and clearing, ore appears to be thickening somewhat. Several samples have been sent away for assay, and so soon as the results are returned to us we will forward copies.

Signed: M.E. Oldring

M.E. Oldring, sec.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957

DATE	INITIALS	CODE
8/13	WSM	400



DMEA Field Team, Region I

August 6, 1957

DMEA Certifying Officer, Region I

Contract Idm-E1072
Monthly operating report for July 1957

The subject monthly operating report has been processed and forwarded to the Disbursing Officer for payment.

A deletion of $255.00 for 34 feet of timbering at $7.50/ft. has been made. A field check by the inspecting engineer on July 30, 1957 determined that only 16 feet of timbering had been installed.

Dorothy F. Long

cc: DMEA (2)
USGS (2)
Contract Admin. & Audit Div.
EAM
AD

EXTRA COPY
D M E A
RECEIVED AUG 12 1957
DATE | INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

July 5, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED

DATE		CODE
8/1	C	220
1	Comm	100
8/2	WSM	400

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

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

Subject: Interim inspection, Docket No. DMEA-4543 (manganese), New Wellington Mines, Ltd., Bear Creek Manganese Mine, Clallam County, Washington, Contract No. Idm-E1072

A visit was made to the property on July 1, 1957. M. E. Oldring, secretary of New Wellington Mines, and Vic Oberg, one of the property owners, were on the property at the time of the inspection.

Work under the exploration project contract commenced on June 28 when a caterpillar D-8 bulldozer started clearing out the access road. At the time of the visit the bulldozer was digging out and leveling for a portal site. This site is at the westernmost exposure of the manganese-bearing structure. At this point the structure is dipping 33 degrees to the west and appears to strike almost due north. However, it is believed that the structure curves towards the east as it goes into the hill. Near the proposed portal site the mineralized structure, which occurs in basalt, is from 1 to 3 feet in width, containing pods of hausmannite. The greater portion of the structure is made up of crushed manganese-stained basalt.

The Operators have contracted the drifting. The contractor was expected at the property on July 2.

The status of the work under the contract as of July 1, 1957 is as follows:

Contract date: April 2, 1957
Termination date: January 2, 1958
Amount of contract: $14,880.00

	Authorized	Completed
Bulldozing	80 hours	16 hours
Drifting, crosscutting & raising	350 ft.	0
Timbering	350 ft.	0
Consultant	5 days	0
Accountant	5 days	0
Manganese assays	75	0

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

E. A. Magill

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1957

DATE	INITIALS	CODE
5/24	JWD	220
5/24	B	215
	WSM	400

May 22, 1957

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed are the Government, Division, and Audit copies of the above-referenced contract. By copy of this letter, other copies of the contract are being distributed.

Apparently there was some confusion on the part of the signers in completing the Certification following the signature, in that M. E. Oldring, secretary and director of the corporation who signed the contract, certifies himself as "signing secretary" and C. D. Fletcher "who signed this contract" as president and manager-director. The second signature of the Certification is C. D. Fletcher.

There does not appear to be any doubt as to the intent of the signers, but if this is not acceptable, please prepare new copies, and we will have the Certification properly executed.

By Field Team, Region I, NW Dist.

Wing G. Agnew

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

Donald R. MacLaren

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

Enclosures
cc: USBM(2)
USBM(AD) w/FO cy of contract
Kellum

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 10 1957

DATE		TIME
5/10	C	220
5/13	WSM	400

No. 157 Howard Street
Spokane 4, Washington

May 7, 1957

Mr. H. E. Oldring, Secretary
New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington

Dear Mr. Oldring:

Thank you for your letter of May 1, 1957, calling attention to a difference of approximately 600 feet between elevations shown on your Exhibit A and those shown on the map accompanying the contract. As there is no indication on either map to show what datum was used, presumably it has been assumed on our map which is at considerable variance with the published topographic map of the area.

The important point, of course, is to determine where tunneling should start so as to conform with the intent of the contract. This should be somewhere in the vicinity of 250 feet S. 75° W. from the portal of the caved adit. The trace of the ore bed apparently is coursing diagonally down a slope in this area. The tunnel portal should be at the lowest elevation where the ore horizon can be located.

If you decide to accept the contract, it would avoid any possible misunderstanding if you so notify Mr. E. A. Magill, U. S. Bureau of Mines, Federal Office Building, Seattle 4, Washington. He will then arrange a visit to the property with your engineer to locate the portal site.

The principal difference between your proposed tunnel site and that proposed in the contract is that your tunnel would be starting below the ore horizon while the DMEA proposed tunnel would start on the ore and follow it.

By Field Team, Region I, NW District

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

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

cc: DMEA (2) w/2 copies of incoming
USBM (2) " " " "
Kellum w/copy of incoming

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

HEAD OFFICE: 640 MONTREAL STREET, VICTORIA, B.C.

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE

May First, 1957

Mr. A.E.Weissenbort,
U.S.Geological Survey,
[illegible] Howard St.,
[illegible] Washington.

Ref: DMEA 4543 (Manganese)
Contract #IDM-E 1072

Dear Mr. Weissenbort,

We received the [illegible] in the Manganese yesterday, and would like to draw your attention to the following:

In our proposed program we included a map drawn by our firm of Engineers, which was designated as Exhibit 'A' , and on which the elevations differ from the elevations on the Fig.2 map that is with the contract. There is a difference of nearly 600 feet in elevation which would make a considerable difference in location and workings.

Could you check this one point and drop us a return line?

Yours very truly,
New Wellington Mines Ltd.,

MEO/mm

M.E.Oldring, Sec.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 29 1957

DATE	INITIALS	CODE
4/29	C	220
4/30	WSM	400

Sa. 157 Howard Street
Spokane 4, Washington

April 23, 1957

Mr. M. E. Oldring, Secretary
New Wellington Mines, Ltd.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-4543 (manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington

Dear Mr. Oldring:

Enclosed are an original and five copies of a proposed DMEA contract No. Idm-519772 signed by the Administrator for the Government. If the terms and conditions of the contract are satisfactory to you, all six copies should be signed as indicated on the final page. Keep the copy marked "Operator's copy" and return the other copies to this office.

If the conditions of the contract are not satisfactory to you, please return all copies unsigned, with a statement of your objections, so that we may request the desired changes.

Under Article 1 (a) please fill in the date on which you expect to commence work.

Your attention is called in particular to Article 6 (b), Royalty on production. In this connection we wish to point out that any production from the land described in the contract is subject to the royalty provisions of the contract whether or not the ore was known to exist prior to the date of the contract or it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

By Field Team, Region I, NW Dist.

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

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

cc: DMEA (2)
USBM (2)
Kellum

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED APR 10 1957

DATE	INITIALS	CODE
4/10	JWJ	220
4/10	WSM	400

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

Date April 9, 1957

DMEA Docket No. 4543
DMEA Contract No.
Commodity Mn
Name of applicant New Wellington Mines, Ltd.
Name of property Bear Creek
Location of property Clallam Co., Wash.
Estimated cost of project $16,630

Memorandum

To: W. S. Martin, DMEA

From: G. L. DeHuff, Jr., Commodity Specialist, Branch of Ferrous Metals and Ferroalloys

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 3/8/57 2. Date received by reviewer: 3/14/57

3. Prior reports on this property known to reviewer: Yes [X] No [ ]

4. Prior reports on nearby properties known to reviewer: Yes [X] No [ ]

5. Information available on past production: Yes [X] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above: See my 11/29/56 memorandum.

8. Factors needing special consideration:
   a. Location [ ]
   b. Ownership [ ]
   c. Evidence of mineralization
   d. Geology [ ]
   e. Proposed exploration method [ ]
   f. Alternate exploration method [ ]
   g. Costs [ ]
   h. _____ [ ]

9. Action advised:
   a. Obtain information from applicant [ ]
   b. Refer to Field Team [ ]
   c. Denial [ ]
   d. Agree with Field Team [X]
      i. Consult with Mr. _____ at _____ AEC office.
   e. Disagree with Field Team [ ]
   f. Suggest alternate plan [ ]
   g. Request another examination [ ]
   h. Approval [X]

10. Remarks: (Use back of page if necessary)

G L DeHuff Jr.

So. 157 Howard Street
Spokane 4, Washington

April 8, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED APR 12 1957

DATE	INITIALS	CODE
4/12	C	220
4/12	WSM	400

Mr. M. E. Oldring, Secretary
New Wellington Mines, Limited
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington

Dear Mr. Oldring:

We received today from our Washington office, a proposed contract to explore the Bear Creek Mine in Clallam County, Washington. Before we can send it to you for approval and signature, the enclosed Consent to Lien and Subordination Agreement must be executed by the owners of the property, who are parties to an agreement dated October 27, 1956.

Would you please have them sign the form and return to us immediately the original and five copies; the seventh copy is for the Owners' file.

Sincerely yours,

D. R. MacLaren
For: Wing G. Agnew
Acting Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures
as indicated

cc: DMEA (2)
USBM (2)
Kellum

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/29	Hopkins	400
3/29	Martin	400
3/29	Jaffurt	800
3/29	Selfridge	130
"	Johnson	110
4/26	Mattendorf	100
4/3	C	220
		400

APR 2 - 1957

B

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

Re: Docket No. DMEA 4543 - Manganese
New Wellington Mines, Ltd. (N.P.L.)
Bear Creek Mine
Clallam County, Washington

Dear Mr. Weissenborn:

Enclosed are the original and five copies of a proposed short form contract for an exploration program at the above referenced property, signed by the Administrator for the Government, together with Annex I (1 page), Exhibit "A" (2 pages), and 2 maps. Two extra copies of Annex I, Exhibit "A" and maps are enclosed for use of the Field Team.

Also enclosed are 7 copies of a Consent to Lien and Subordination Agreement, six of which are to be signed and attached to the contract before presenting it to the Operator. The extra copy is for the Owners' file.

If the terms and conditions of this proposed contract are satisfactory to you and the Operator, all six copies should be signed by the Operator, and the usual distribution made.

If any part of the proposed contract does not have either your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies of the proposed contract are to be returned to this office for consideration. Under Article I 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 (JHB)

APPROVED:

/s/ O. M. Bishop (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures

P.S. You will note a reduction of $5.00 per foot in cost of drifting, crosscutting and/or raising. Due to the relatively short distance to tram and as the ground should be easy to break it is estimated that the crew would be more likely to make 5 feet per day than the 4 feet previously estimated.

8623

cc to: FT REG NWDist
Messrs. G. DEHuff, USBM
T. Kiilsgaard, USGS

JHopkins:am 3/29/57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/20	Chapman	400
3/20	Martin	400

March 20, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 4543 - Manganese
New Wellington Mines Limited (N.P.L.)
Bear Creek claims
Clallam County, Washington

Attached is a rough draft of a proposed contract for the captioned project for your use in preparing the contract in final form.

W. S. Martin

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

Attachment

3/20/57
TLChapman:foc
cc to: Docket
Code 400

8623

EXPLORATION PROJECT CONTRACT
NEW WELLINGTON MINES, LTD.
DOCKET NO. DMEA 4543

ANNEX I

The land referred to in Article 2 of the contract form, and shown on the attached Fig. 1, comprises the property held by lease from Victor Allen Oberg and Mabel I. Oberg, Josephine Fox and Andrew Severyns, and E. R. Gehrke, to the New Wellington Mines, Ltd. The date of said lease is October 27, 1956. This property consists of four unpatented lode mining claims, all located in section 24, T. 30 N., R. 12 W., W. M., Clallam County, Washington and recorded as follows:

Claim Name	Book No.	Page No.
Bear Creek No. 1	9	335
Bear Creek No. 2	9	336
Bear Creek No. 3	9	304
Bear Creek No. 4	9	335

EXPLORATION PROJECT CONTRACT
NEW WELLINGTON MINES, LTD.
DOCKET NO. IMEA 4543

EXHIBIT A

Description of the Work

Attached hereto are the following maps:

Figure 1, Claim Map of the Bear Creek Mine

Figure 2, Bear Creek Mine, Clallam County, Washington

1. Bulldoze an access road about one-half mile in length from logging road to site of proposed adit and prepare adit site. D-8 Bulldozer or equivalent.

2. From the lowest exposed point on the structure (Fig. 2), drift northeasterly along the structure not to exceed 300 feet.

3. From a point or points (approximately as shown in Fig. 2) as agreed to by the Government and the Operator, crosscut in either direction and/or raise not to exceed 50 feet. If agreed to by the Government and the Operator, additional footage for crosscutting or raising may be allowed from the 300 feet allowed for drifting.

The drift and crosscuts shall be timbered as necessary and shall not be less than 5 feet by 7 feet in the clear.

A raise shall be two compartment and not be less than 6 feet by 8 feet in rock section.

Mineralized zones shall be sampled and assayed for Manganese.

ESTIMATED COST OF THE PROJECT

Agreed Unit Costs

Bulldozing 80 hours at $16.00/hr.	$1,280.00
Drifting, crosscutting and/or raising 350 feet at $30.00/ft.	$10,500.00
Timbering/350 feet at $7.50/ft. (drifts or crosscuts)	2,625.00
Consultant, 5 days at $50.00/day	250.00
Accountant, 5 days at $15.00/day	75.00
75 assays for manganese at $2.00 each	150.00
Total Cost of Project	$14,880.00
Government Participation at 75 percent	$11,160.00

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
3/12	C	220
		130
3/18	C	220
3/18	WSM	400

March 8, 1957

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

Re: Docket No. DMEA-4543 (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed are the original and three copies of a memorandum report by E. A. Magill, mining engineer, Bureau of Mines, and D. F. Kellum, geologist, Geological Survey, on the above-referenced application.

Magill and Kellum recommend that a slightly modified version of the applicant's program be approved.

The Field Team concurs in this recommendation.

By Field Team, Region I, NW Dist.

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

Stephen W. Zoleton
for Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
Kellum

Reviewed by
DMEA OPERATING COMMITTEE
3-15-57
(date)

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

1201 N. Division St.
Spokane 2, Washington

March 7, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
		13026B
		220

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: E. A. Magill, Mining Engineer, Bureau of Mines, and
D. F. Kellum, Geologist, Geological Survey

Subject: Application of New Wellington Mines, Ltd., Docket No. DMEA-4543 for exploration project contract on Bear Creek Manganese Mine, Clallam County, Washington

Two previous requests (Docket No. DMEA-3137 in 1953 and Docket No. DMEA-3417 in 1954) have been submitted for exploration work on the subject property. The first request was denied on November 6, 1953. The second request was approved and a contract involving the expenditure of $11,300 was submitted to the applicants. The applicants were unable to obtain the money to carry out their portion of the contract which they therefore did not sign. Their application was finally withdrawn on February 8, 1955.

In 1956, New Wellington Mines, Ltd. obtained a lease on the property and in the subject application propose to carry out an exploration program essentially the same as that proposed in the unsigned contract of 1954.

Two shipments of manganese ore have been made from the property to the GSA Materials Purchase Depot, Deming, New Mexico. The first was on October 1, 1953 and consisted of the following:

54.23 L.D.T.

Manganese	48.25	percent
Iron	1.50	"
Silica plus alumina	14.6	"

The second shipment was on December 29, 1953. This shipment had about 5 tons of ore from the Black Bear (Victory) claim mixed in with it. This ore contained high silica and was lower in manganese, which accounts for the difference in content of those elements. The shipment contained:

ON BITE
EXAM

Reviewed by
DMEA OPERATING COMMITTEE
3-15-57
(date)

44.88 L.D.T. (including 5 tons from Black Bear)

Manganese	47.0 percent
Iron	1.7 "
Silica plus alumina	17.1 "

These two shipments came from open pit operations. The Operators were unable to mine further by open pit methods because of the steep bank which was developed, causing slides which necessitated the removal of an excessive amount of waste. Consequently, any further mining or exploration will have to be carried on by underground methods. The property has been inactive since the two shipments were made in 1953.

It is noted that there is a question raised in Mr. Nelson's memorandum of December 6, 1956 to W. S. Martin concerning the strike of the ore zone. The applicant's map shows the strike of the ore zone to be northeast-southwest, whereas in 1953-54 the map shows a portion of the ore zone to be north-south. This matter is easily reconciled; the west end of the ore zone strikes essentially north-south while at the east end it strikes east-west. The ore zone varies in strike and dip from one end to the other. On the easterly end of the zone the structure is almost horizontal, making the determination of the strike difficult. To further complicate this, exposures have been very small and at the present time the only good exposure is on the west end of the zone.

An attempt was made on January 9, 1957 by Don Kellum, Geological Survey, to re-examine the property, but 1½ feet of snow prevented access. There has been no work carried on at the property since the last examination was made on May 26, 1954; therefore, it is felt that the report by E. A. Magill, Bureau of Mines, dated June 2, 1954, describing this inspection, and the report dated September 2, 1953 by E. A. Magill and Willard Puffett, Geological Survey, contain all the pertinent data which is available at the present time. It is felt that since no further work has been carried out, the present proposed program can be evaluated on these reports inasmuch as the present program is essentially the same as that proposed before.

We believe that the property still warrants an exploration program. We are not in favor of the applicant's proposal of crosscutting from a point 50 feet below the last visible outcrop to intersect the structure. We believe that any underground work should be started on the structure and kept on it if at all possible. The lens-like ore bodies of the area are too irregular to warrant any man-sized openings that are not on ore unless such work has been preceded by drilling; consequently, we propose a program which is essentially the same as that in the unsigned contract of Docket No. DMEA-3417. It is believed that more crosscutting and drifting footage may be desirable as requested in the new application. This additional footage will allow the Operator to explore a greater length along the strike of the lens.

Costs have been revised to a figure more in line with present costs on other projects in the vicinity. These estimated unit costs are much lower than those requested in the application.

A proposed program, along with an attached map to show the location of the work, is as follows:

Description of the Work

The exploration work is indicated on the attached map entitled "Bear Creek Mine, Clallam County, Washington."

1. With a bulldozer, build from the existing logging road a new access road approximately one-half mile in length. The bulldozer shall also be used to prepare a portal site at the lowest elevation to which the manganese-bearing structure may be traced on the Bear Creek No. 1 claim.

2. From the lowest exposed point on the structure, drift along the structure northeasterly for a distance not to exceed 300 feet.

3. From a point or points in the drift agreed upon by the Government and the Operator, crosscut in either direction and/or raise for a distance not to exceed an aggregate of 50 feet. If deemed advisable by the Government and the Operator, additional footage for crosscutting or raising may be used from the 300 feet allowed for under drifting.

The location, direction and extent of all work are to be subject to the prior approval of the Government.

Operating Equipment

The operating equipment to be furnished is listed below:

Item	Value	Mo. deprec.
1 - 365 cfm compressor	$10,840	$180.67
2 - Copco drills w/legs	1,080	18,00
2 - 20 cu. ft. mine cars	600	10.00
1 - pickup truck	3,000	50.00
1 - Eimco loader	3,435	57.25
1 - 2 h.p. Coppus fan	224	3.73
		$319.65

350 feet of drifting, crosscutting and/or raising

Estimated advance ~~4~~ 5 feet/day, untimbered - ~~88~~ 70 days
Timbering 4 sets/day - 18 days
~~106~~ 88 days - 4 months

1. Independent contracts
   Bulldozing - 80 hours @ $16/hr.
   (D-8 or equivalent) $1,280.00

2. Labor and Supervision

3 miners x ~~88~~ 70 days x $16 x 1.083 o.t.	~~4,574.59~~	3,639.00
1 foreman ~~3.4~~ 3.2 months @ $550/mo.	1,870.00	1,650.00
	6,444.59	5,289.00

3. Operating materials and supplies

Explosives			
4/5 1,500 caps @ $2.475/100	$ ~~37.13~~	30.00	
15,000 ft. fuse @ $1.37/100'	205.50	164.00	
3,500 lbs. 40% gel. @ $23.90/100#	836.50	837.00	
Cap crimper	2.25	2.00	
	$1081.38		1,033.00
Drill accessories			
Steel and bits, 350 ft. @ $1.50/ft.	525.00		
2 - 50' water hose, ½", complete @ $28.80	57.60		
2 - 50' air hose, 3/4", complete @ $34.40	68.80		
2 line oilers @ $21/ea. (50% salvage)	21.00		
	$672.40		672.00
Track			
800 ~~700~~ ft. 16# rail - 3733# (4267#) @ ~~$12.80~~ ($12.00)/100# in ton lots (50% salvage)	~~238.91~~	333.00	
40 ~~33~~ pr. fishplates @ 54¢/pr. ~~(50%~~ 35% salvage)	~~8.91~~	14.00	
160 ~~140~~ track bolts @ $27.13/450 35% ~~(50%~~ salvage)	~~4.22~~	6.00	
270 ~~236~~ ties @ 30¢/each	70.80	81.00	
	$322.84		434.00
Pipe			
350 ~~325~~ ft. 2" air line @ $45.40/100' (50% salvage)	~~73.78~~	80.00	
350 ~~325~~ ft. 1" water line @ $21.64/100' (50% salvage)	35.17	38.00	
20% of above for fittings	21.79	22.00	
	130.74		140.00

3. Operating materials and supplies (continued)

Other

6 carbide lamps @ $2.50/ea.	$ 15.00		
5 - 25# cans carbide @ $4.15/can	20.75		
Repair parts	350.00		
Small tools	100.00		
	$485.75	x 70/88	386.00

Ventilation

300 ft. 12" ventpipe @ $1.08/ft. 35% (~~50%~~ salvage)	162.00		211.00

Power and fuel

350 gal. gas (truck) @ 36¢/gal.	126.00		
3000 gal. diesel oil @ 17¢/gal.	510.00		
Grease, oil, etc.	135.00		
	771.00	x 70/88 $3,626.11	613.00

4. Operating equipment (depreciation)

	Mo. use	Mos.	Total			
1 - 365 cfm compressor	180.67	43	772.68			
2 - Copco drills w/legs	18.00	43	72.00			
2 - 20 cu.ft. mine cars	10.00	43	40.00			
1 - pickup truck	50.00	43	200.00			
1 - Eimco loader	57.25	43	229.00			
1 - fan	3.73	43	14.92	3/4	1,278.60	959.00

5. Rehabilitation and repairs — none

6. New buildings, etc. — none

7. Miscellaneous

Unemployment ins., etc. 13.9% x ~~$1644~~.59 (5289.00) — ~~895.80~~ 735.00

Total (less Independent contracts--bulldozing) $12,245.10

Cost per foot - $34.99 SAY - $35.00

Indirect & Contract Labor & Supervision	5,289.00	1,280.00	
Other Mat. & Supplies	1,033.00		
Drill accessories	672.00		
Track.	434.00		
Pipe.	140.00		
Other mat & Supplies	386.00		
Vent. Pipe	211.00		
Power & Fuel.	613.00		
Other Equipt. Depreciation	959.00		29.92
Insurance	735.00		30.00
	10,472.00	10,472.00	
		11,752.00	

5

Timber cost: 350 feet or 70 sets

140 posts 8"x8"x7'	5,223	
70 caps 8"x8"x6'4"	2,362	
136 girts 5"x6"x4'4"	1,473	
Lagging	6,720	
	15,778 bd. ft. @ $65/M	$1,025.57
5% of $1,025.57 (blocks, wedges, etc.)		51.28
845 bd. ft. of misc. timber @ $65/M		54.93
		$1,131.78

Labor: 3 men will frame, stand, block, and lag 4 sets per 8-hr. shift

3 miners x $16.00 x 18 days x 1.083 (O.T.)	$ 935.71
Supervision - 75% of 1 mo. @ $550/mo.	412.50
	$1,348.21
Unemploy. ins., etc. - 13.9% of $1348.21	187.40
	$1,535.61
Total	$2,667.39

Cost per foot - $7.62 SAY - $7.50

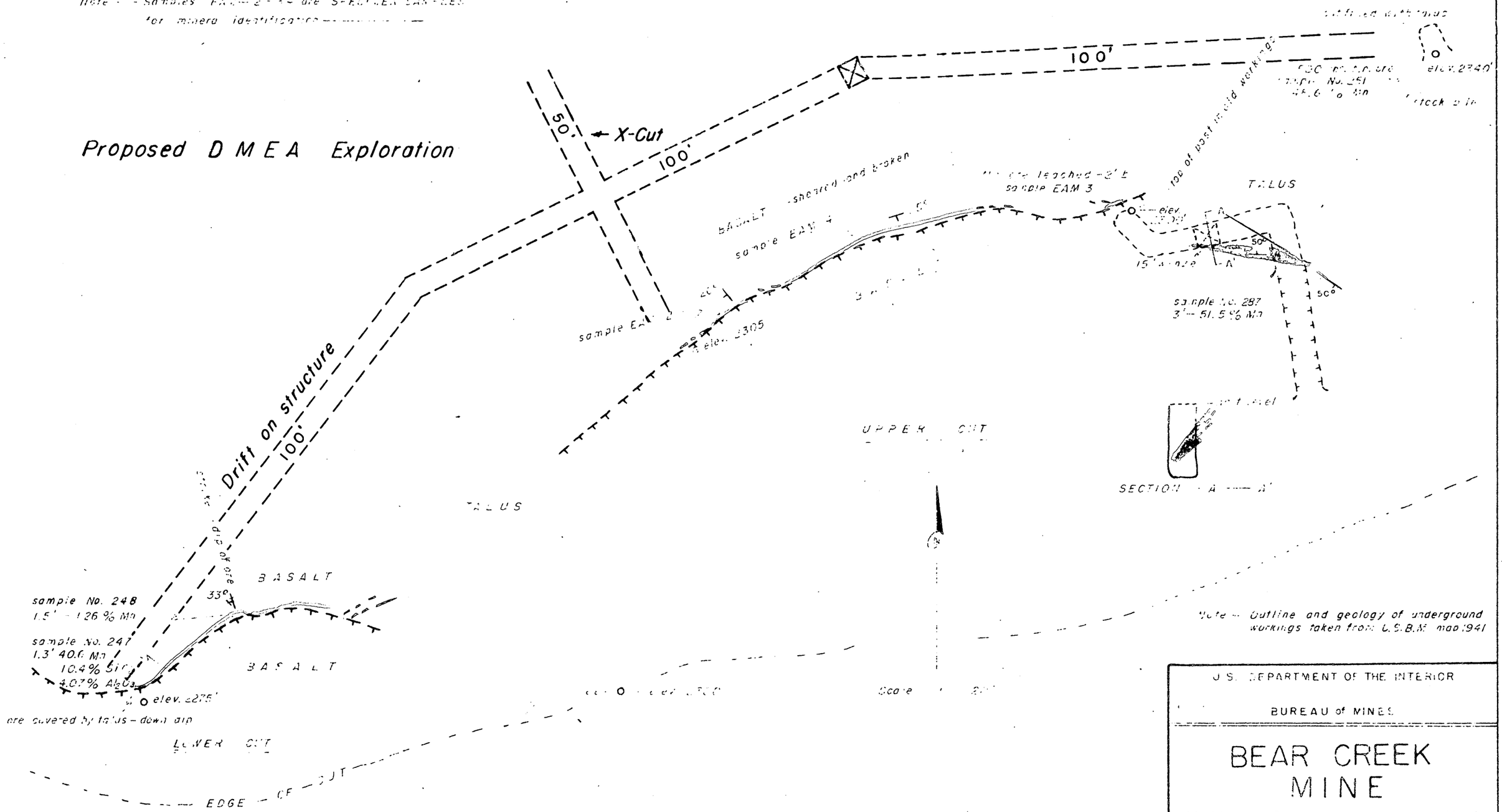
Estimated Cost of Project

Bulldozing - 80 hours @ $16.00/hr.	$ 1,280.00
350 feet drift, crosscut and/or raise @ $35.00/ft.	12,250.00
350 feet timber @ $7.50/ft.	2,625.00
Consultant, 5 days @ $50/day	250.00
Accountant, 5 days @ $15/day	75.00
75 assays @ $2.00/ea.	150.00
Total cost	$ 16,630.00
Government participation @ 75%	$ 12,472.50

Distribution:
- DMEA (4)
- USGS (2)
- USBM (AD)
- Docket
- Engineer

DOCKET DMEA-4543

Note - Samples EAM-2 - 7 - are SPECIMEN SAMPLES for mineral identification



U.S. DEPARTMENT OF THE INTERIOR

BUREAU of MINES

BEAR CREEK MINE

Clallam County - - - - - - - - - - Wash.

ENG'R E.A. MAGILL	Oct. 21, 1953

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 11 1957

DATE	INITIALS	CODE

DOCKET
SURNAME
400 Chapman
Martin
Selfridge

DEC 1 0 1956

Mr. A. . Weissenborn, Executive Officer
IAPA Field Team, Region I - NW District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. [illegible] 4543 - Manganese
New Wellington Mines Limited (N.P.L.)
Bear Creek claims
Lallan County, Washington

Dear Mr. Weissenborn:

The above docketed application for exploration assistance is being referred to your office for a field examination of the property.

Copies of memoranda dated November 29, and December 6, 1956, by G. L. DeHuff, Jr., Bureau of Mines, and N. E. Nelson, Geological Survey, respectively, relating to the project are enclosed. Also enclosed is an extra copy of the application for use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures:

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

N. E. Nelson (NEN)
Member, Geological Survey

TLChapman:foc 12/17/56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. I - NW Dist.
Messrs. G. L. DeHuff, Jr., USBM
T. H. Kiilsgaard, USGS

C

DOCKET
SURNAME
Chapman
Martin
Lamb
Nelson
Selfridge

400

DEC 19 1956

New Wellington Mines Limited (N.P.L.)
640 Montreal Street
Victoria, British Columbia, Canada

Re: Docket No. DMEA 453 - Manganese
Bear Creek claims
Klickitat County, Washington

Gentlemen:

The above docketed application for exploration assistance for manganese ores has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington, for a field examination of the property.

Any assistance you can give the members of the Field Team will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

TLChapman:foc
12/17/56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT. REG. I - NWDist.
Messrs. G. L. DeHuff, USBM
T. H. Kiilsgaard, USGS

C

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

IN REPLY REFER TO:

RECEIVED DEC 11 1956 D.M.E.A.

December 6, 1956

Re: DMEA 4543
New Wellington Mines, Ltd.
Bear Creek Manganese Deposit
Clallam County, Washington
$19,650.00 Minimum
$30,150.00 Maximum - Manganese

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

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

Subject: Review of application

The applicant requests assistance in further exploration of a manganese deposit on which considerable work has been done and which, in 1953, was considered worthy of DMEA assisted work, by the examiners and Field Team. The application, DMEA 3137 requested aid on a $12,500 project. The application was denied in Washington November 6, 1953 after several exchanges of information.

Another application, numbered 3417, was filed early in 1954. The work proposed was essentially the original program. A contract approving the expenditure of $11,300 was submitted to the applicants, but it was not accepted and at the request of the attorney for the applicants was withdrawn February 8, 1955.

The subject application proposes the following work:

500 feet of road work	$750.00
420 feet of crosscutting and drifting	(a) 18,900.00 (No timber) (b) 29,400.00 (All timbered)
Total	(a)$19,650.00 (b) 30,150.00

The geologist of the present applicant assumes the strike of the ore zone is about northeast and southwest whereas it was considered to be about north and south in 1953-54.

The Field Team concludes a re-examination is warranted. Therefore referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

Docket

RECEIVED DEC 3 1956 D.M.E.A.

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

Date November 29, 1956

DMEA Docket No. 4543
DMEA Contract No.
Commodity Manganese
Name of applicant New Wellington Mines Ltd.
Name of property Bear Creek Mn
Location of property Clallam Co., Wash.
Estimated cost of project $30,150

Memorandum

To: W. S. Martin, DMEA

RMC

WSM

From: G. L. DeHuff Jr., Commodity Specialist
Branch of Ferrous Metals and Ferroalloys
Subject: Review of application
(Application, Field Team Report, etc.)

1. Date of subject document: 10/25/56. 2. Date received by reviewer: 11/20/56.

3. Prior reports on this property known to reviewer: Yes [x] No [ ]

4. Prior reports on nearby properties known to reviewer: Yes [x] No [ ]

5. Information available on past production: Yes [x] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [ ]

7. Explain items marked yes above: DMEA-3137 &-3417. Bureau of Mines records show the following shipments in 1954 by Victor Oberg from the Bear Creek Mine: 94 L.T., averaging 48 percent Mn, 1.6 Fe, 15.8 SiO_2 + Al_2O_3, & 0.05 P, shipped to Deming depot.
Clallam Co. manganese deposits were subject of extensive Bureau of Mines project 301, and unpublished report of 4/30/42. Also subject of recent Bureau of
(con't below)

8. Factors needing special consideration:
a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [x]
f. Alternate exploration method [ ]
g. Costs [x]
h. [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [x]
c. Denial [ ]
d. Agree with Field Team [ ]
i. Consult with Mr. _____ at _____ AEC office.
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]

10. Remarks: (Use back of page if necessary)

Mines extensive examination work for Manganese Atlas of the Northwest.

G L DeHuff Jr

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

November 19, 1956

New Wellington Mines Limited (N.P.L.)
640 Montreal Street
Victoria, British Columbia, Canada

Subject: DMEA-4543

Gentlemen

Your application for exploration assistance, dated October 25, 1956 submitted to our office at Spokane, has been assigned Docket Number DMEA-4543 and referred to the Iron and Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

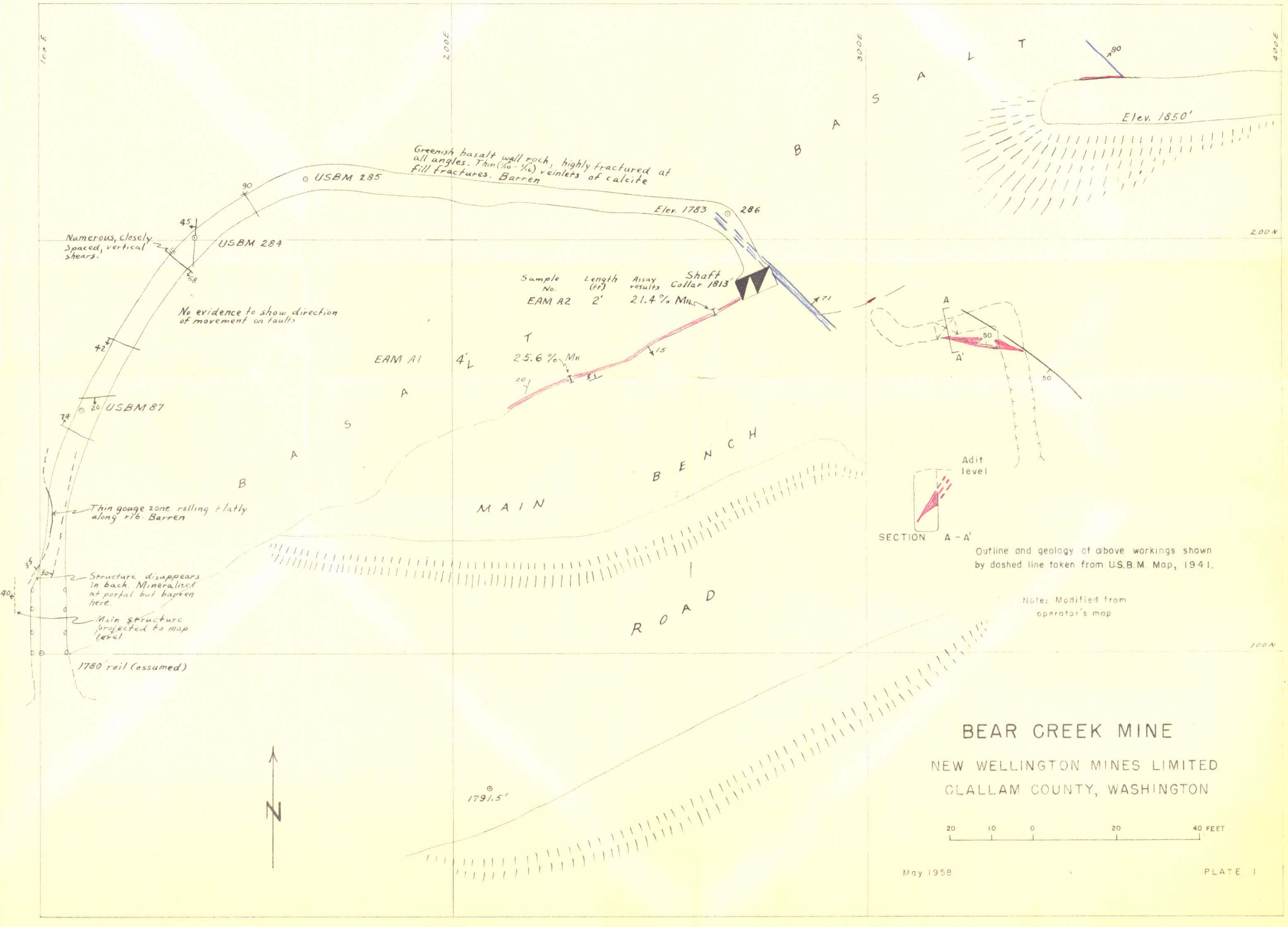
Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region I,N.W. Spokane, Washington

Code 400

6416



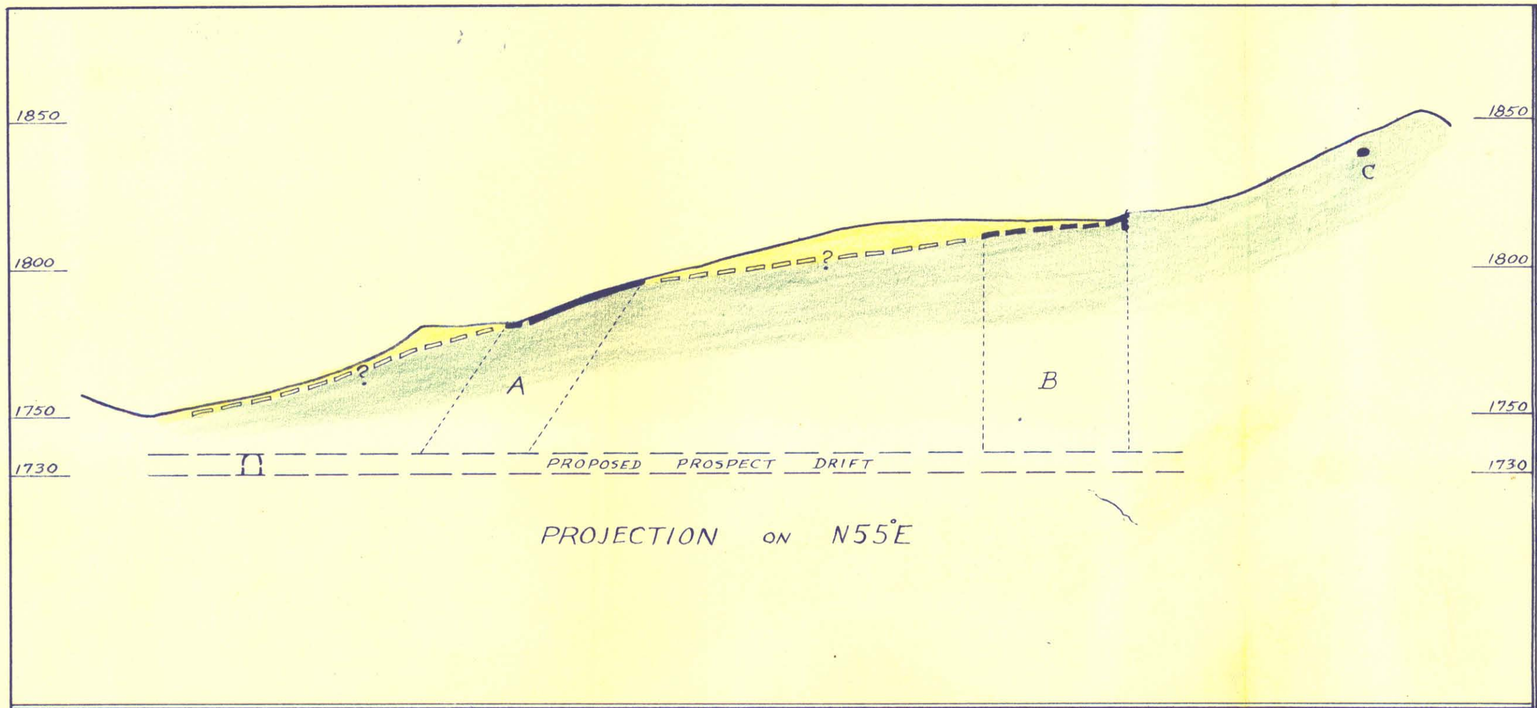
BEAR CREEK MINE

NEW WELLINGTON MINES LIMITED

CLALLAM COUNTY, WASHINGTON

May 1958

PLATE I


1850
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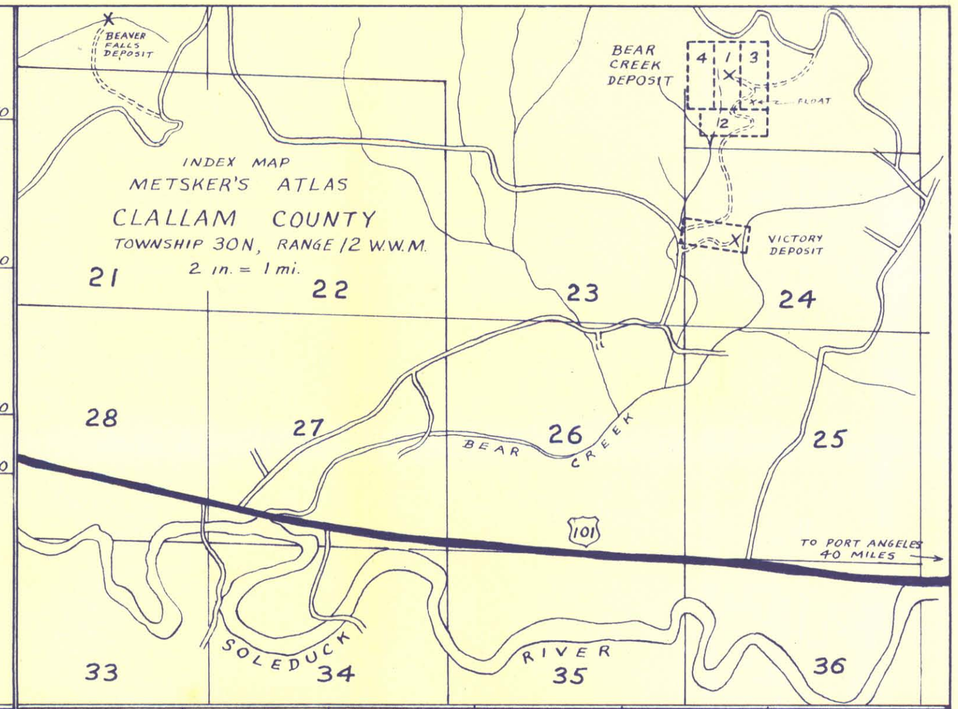
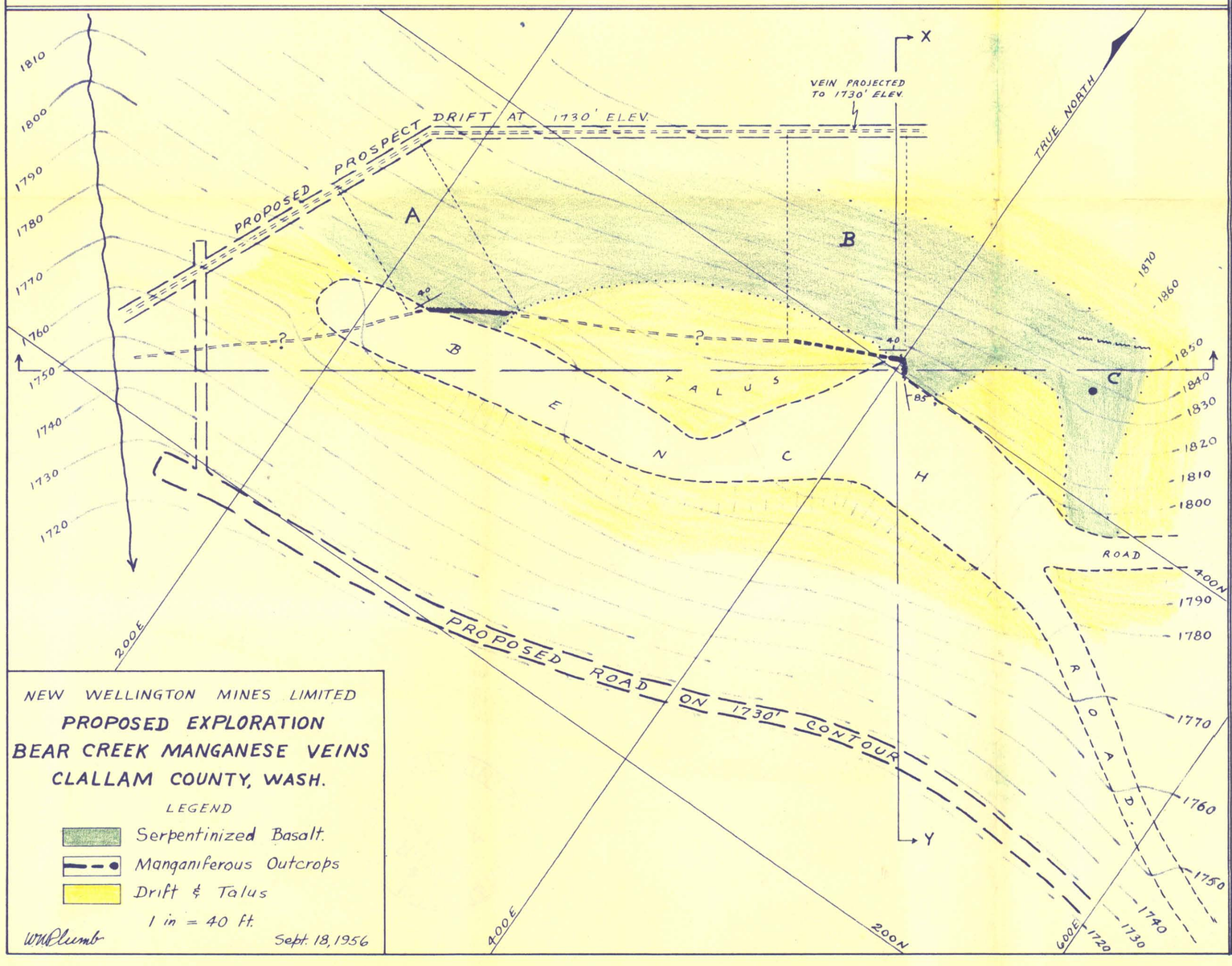
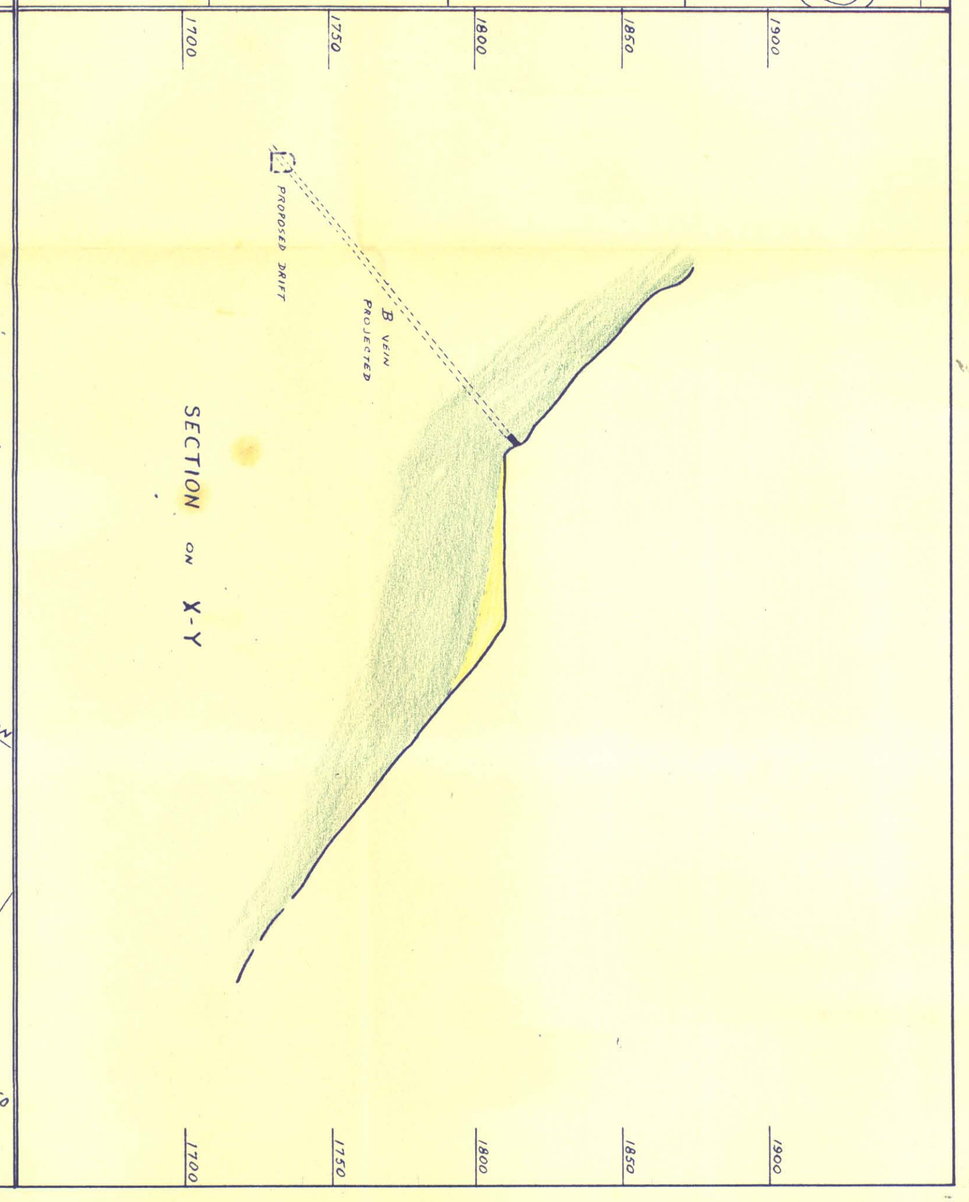
PROPOSED PROSPECT DRIFT
PROJECTION ON N55°E


BEAVER FALLS DEPOSIT
BEAR CREEK DEPOSIT
FLOAT
VICTORY DEPOSIT
INDEX MAP
METSKER'S ATLAS
CLALLAM COUNTY
TOWNSHIP 30N, RANGE 12 W.W.M.
2 in. = 1 mi.
21
22
23
24
28
27
26
25
33
34
35
36
BEAR CREEK
SOLEDUCK RIVER
101
TO PORT ANGELES 40 MILES


PROPOSED PROSPECT DRIFT AT 1730' ELEV.
VEIN PROJECTED TO 1730' ELEV.
TRUE NORTH
A
B
C
TALUS
BENCH
ROAD
PROPOSED ROAD ON 1730' CONTOUR
200E
400E
200N
400N
600E
NEW WELLINGTON MINES LIMITED
PROPOSED EXPLORATION
BEAR CREEK MANGANESE VEINS
CLALLAM COUNTY, WASH.
LEGEND
Serpentinized Basalt.
Manganiferous Outcrops
Drift & Talus
1 in = 40 ft.
Sept. 18, 1956


SECTION ON X-Y
PROPOSED DRIFT
B VEIN PROJECTED
1700
1750
1800
1850
1900