E-1072

For Certificate of Deposit No. 484, dated December 1, 1958, giving royalty payment of $22.07, see E-184.

EXTRA COPY O. M. E. RECEIVED NOV 21 1958		
DATE	INITIALS	CODE
		800

So. 157 Howard Street
Spokane 4, Washington

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-K1072

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. Olâring 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

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O. M. E.
RECEIVED NOV 21 1958

DATE	INITIALS	CODE

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, Exec. Officer
U. S. Geological Survey

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

cc: USBM (2)
USGS(AD)
Albee

EXTRA 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.
640 Montreal Street
Victoria, B. C., Canada

Re: Docket No. DMRA-543 (Manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-K1072

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 DMRA Contract No. Idm-K1072 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 $58.86 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 DMRA, and mailed to the Executive Officer at the above address.

By Field Team Region I

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

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

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

TELEPHONE 5-2212

NEW WELLINGTON MINES LIMITED

(NON-PERSONAL LIABILITY)

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

19th September 1958.

EXTRA COPY
D. M. E.
RECEIVED NOV 21 1958

DATE	INITIALS	CODE

Mr. A. E. Weissenborn,
Executive Officer,
D.M.E.A. Field Team,
Region 1, South 157 Howard St.,
SPOKANE 4 WASHINGTON, U.S.A.

Dear Sir:

RE: DOCKET NO. DMEA - 4547 (MANGANESE)
BEAR CREEK MANGANESE MINE
CLALLAM COUNTY, WASHINGTON
CONTRACT NO. IDM-1572

Referring to your letter of the 3rd inst, I assumed the secretary-ship of this Company in March of this year and from the fact that the agreement with the Company has terminated I had presumed all matters pertinent to it had been closed.

From all information I have gathered with respect to ore from our stockpile, a Mr. Gordon H. Weber who I am told runs a bottling works at Yakima, asked for and received 6.8 tons of good grade manganese to include in a shipment from his own adjacent claims.

The proceeds of the sale of the ore $333.16 were paid into the First National Bank in Port Angeles on account of a Company 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.

Is it possible you have received the royalty direct from Mr. Weber?

Yours very truly,

NEW WELLINGTON MINES LTD (NPL)

L. Phillips
Secretary.

LP/ehr.

Rm. 157 Howard Street
Spokane 4, Washington

October 13, 1958

EXCL... O. U. E.
RECEIVED 0... 1958
DATE
800

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

Re: Docket No. DMEA-543 (manganese)
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-K1072

Gentlemen:

This is in reference to your letter of September 14, 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 Wallington 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. S. Weissenborn, Exec. Officer
U. S. Geological Survey

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

cc:

ONE (3)
UEEM (2)
UEEM(AD)
Albee

1001 N. Division St.
Spokane 2, Washington

800

September 3, 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. [redacted]

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(a) of the contract.

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

By Field Team, Region I

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

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

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

-Re Op. Com. letter to FT 8/19/58.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

2/26 C 220 800

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-E1072, Docket No. DMEA-4543, 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

C. A. Turner, Auditor

February 11, 1958

Schedule of Exceptions

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

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	299 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

C. A. Turner, Auditor

February 11, 1958

No. 157 Howard Street
Spokane 4, Washington

800

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-31072

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. A. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

Enclosure

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

EXTRA COPY
DMEA
RECEIVED MAR 14 1958
DATE | INITIALS | CODE
3/14 | | 800

No. 157 Howard Street
Spokane 1, Washington

Air Mail

March 10, 1958

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

Re: Docket No. 14[illegible]-[illegible] (Manganese)
New Wellington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-[illegible]1072

Dear Mr. Lines:

We have delayed answering your letter of March [illegible], 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 $8,21[illegible].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. L. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

cc: DMEA (3) w/3 copies of incoming
USBM (2)
USBM (AD)
Turner
CPF

412 STANDARD BLDG.
510 W. HASTINGS ST.
VANCOUVER 2, B.C.

GEOFFREY LINES

CERTIFIED GENERAL ACCOUNTANT

RECEIVED
DUN & BRADSTREET
MAR 1 1958
COMPANY

March 3rd 1958

United States Bureau of Mines
215 Federal Building,
Seattle 4, Washington, U.S.A.

Dear Sirs:

Re DMEA No.4543, Contract No.Idm-E 1072
United States of America and New Wellington
Mines Limited (N.P.L.)

I have been instructed by New Wellington Mines Limited (N.P.L.) to audit the affairs of the company as at November 30th 1957. In this connection I would appreciate your direct confirmation that as at that date (November 30th 1957) the contract was terminated, that there were no obligations contingent or otherwise owing by the company of a financial nature in particular to repay the monies received to that date. I also understand that a final payment on the contract is due to the company of about $500.00 would 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 15th 1958. Thanking you in anticipation of your cooperation.

Yours truly,

Geoffrey Lines

EXTRA COPY
DMEA
RECEIVED
DATE | CODE

EXECUTIVE OFFICE
RECEIVED
DATE | CODE
800

1201 N. Division St.
Spokane 2, Washington

February 18, 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. Ism-E1072

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)

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DATE
CODE
800

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 Wallington Mines, Ltd.
Bear Creek Manganese Mine
Clallam County, Washington
Contract No. Idm-X1072

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(e) 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)

Standard Form No. 1034—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

MAR 10 1958

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-81072

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) L. L.

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

1201 N. Division St.
Spokane 2, Washington

March 4, 1958

10

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-51072

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)
Contract Admin. & Audit Div. (2)
Docket

EXTRA COPY
DMEA
RECEIVED MAR 10 1958
DATE | CODE
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1201 N. Division St.
Spokane 2, Washington

March 4, 1958

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)

Form MF-204 (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 OCT 14 1957 DMEA

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: 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	3270.00	5,100.00	8,370.00
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

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. Eldring 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 Dorothy 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. Eo 1072 in accordance with the terms of the contract.

Signature /s/ Edwin A. Magill Title Mining Engr. 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-161A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED OCT 14 DMEA

Month of September 195 7 Docket No. DMEA 4543 Contract No. IDM-S-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~~ Bulldozing	hr.			1,280.00	80	16/hr.	80	16/hr
~~Trenching~~ Consultant	day	250.00	5 days	250.00	5 days	50/day	5	50/day
~~Boardtrack~~ 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)

1st Elwin 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 Collins
Sec. - Dir.

OPY
RE 57
DE

EXTRA COPY
DMEA
RECEIVED OCT 14 1957
DATE | INITIALS | CODE
800

1201 N. Division St.
Spokane 2, Washington

October 9, 1957

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-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)

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. 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			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		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. Wing 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:

$ 2700.00

Signature Dorothy F. Long (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. E1072 in accordance with the terms of the contract.

Signature /s/ Edwin A. Mogill 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.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 12th 1957 Docket No. DMEA 4543 Contract No. IDM-S 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. B. Adams 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 foot 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.

M E Oldring
Sec.

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-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			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	~~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 [signature] 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 [signature] (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. E1072 in accordance with the terms of the contract.

Signature Elmer A. Magill Title Mining Engineer 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 6543 Contract No. 1072
Operator's Name New Wellington Mines Ltd. Minerals Manganese
Address 20 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								
Trenching Bulldozing	hr.	1,200.00	60	1,200.00	60	10/hr.	60	10/hr.
Test Pits								
Roads and Trails		120.00	16	120.00	16			
Timbering	ft.	335.00	50	335.00	50	7.00/ft.	350	7.00/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.								
		2900.00		2900.00				
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.-Treas.

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.

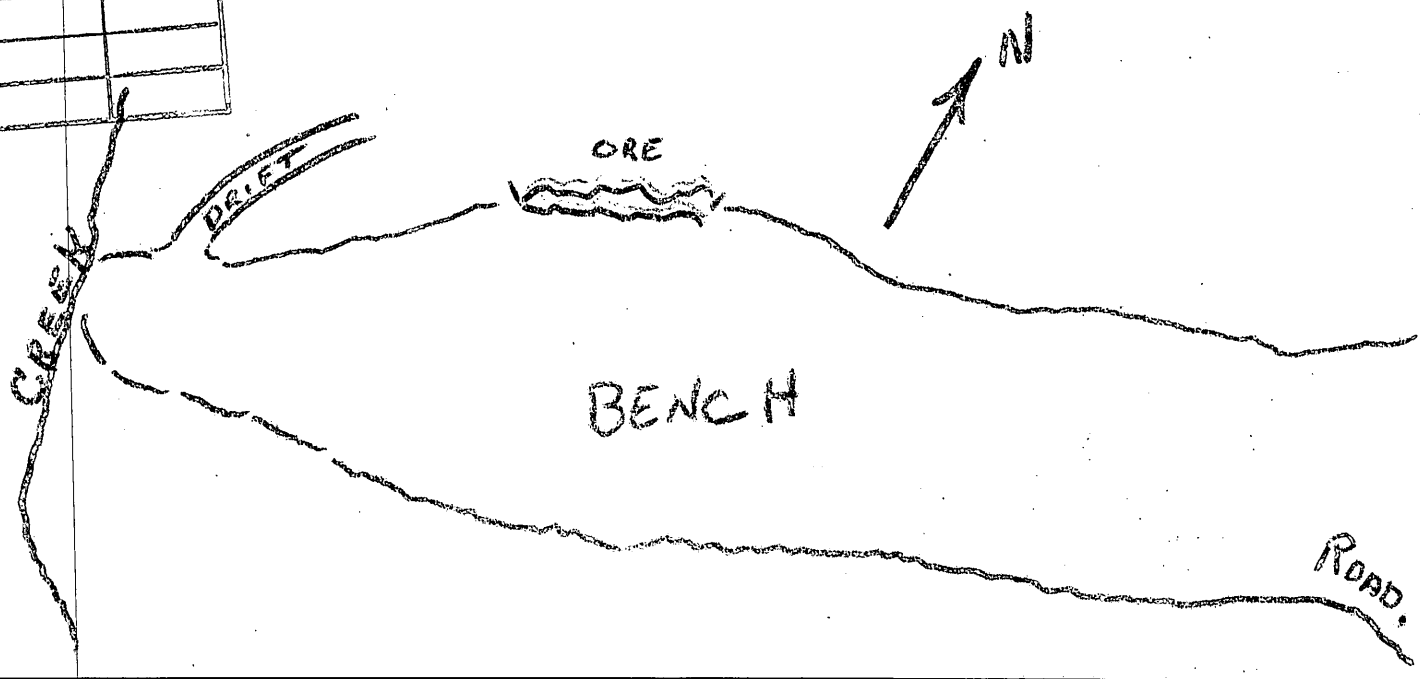
Work was commenced June 28th, 1957 on the Bear Creek Claims by having the bulldozer prepare the portal site and build up the roadway. Necessary equipment for drifting was shipped in the following week. Timbers for portal purchased and delivered to site. Actual tunnelling started July 5th, following well 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.

OFFICIAL FILE
DMEA
RECEIVED AUG
DATE | INITIALS | CODE

Signed: M E Oldring

M.E.Oldring, sec.



DMEA Field Team, Region I

August 6, 1957

DMEA Certifying Officer, Region I

Contract Ida-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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 12 1957
DATE INITIALS CODE

DEC 10 1958

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

Re: Docket No. DMEA 1543 - Manganese
Bear Creek Mine
Clallam County, Washington
Contract No. Ldm-51072

Gentlemen:

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

We sincerely regret that the work performed did not 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:fce
12-8-58
cc to: Code 100
800
Director's Read. File
Operating Comm.
FT. REG. I
G. L. DeRuff, Jr., USBM
T. H. Kiilsgaard, USGS

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

Same letter to:

DEC 10 1958

Mr. L. R. Gehrke, Jr.

Mr. & Mrs. V. A. Oberg

Josephine Fox

Mr. Andrew Teverynn, Executor
Estate of Hugh Cowan
Ul Aldwell Building
Port Angeles, Washington

Re: Docket No. [illegible] - Manganese
New Wellington Mines, Ltd.
Dear Creek Ins
Jallas County, Washington
Contract No. I[illegible]-1072

Dear Mr. Teverynn:

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 [illegible] program which has now been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON
Acting Director

SPHULT:fcc
12-8-58

cc to: Code 400
Enclosure 800

Director's Read, File
Oper. Conn.
[illegible]
G. L. Pehoff, Jr., [illegible]
T. H. Willegaard, [illegible]

Audit copy

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. C. Mittenbors
Administrator, Defense Minerals Exploration Administration

NEW WELLINGTON MINES, LTD.

By M. E. Oldring
Title Secretary

OFFICE PHONES
MARINE 0848
MUTUAL 3-5861

RESIDENCE
WALNUT 2 7996

HENRY L. HILL & ASSOCIATES

CONSULTING MINING ENGINEERS

572 HOWE STREET
VANCOUVER 1, B.C.

February 3rd, 1958.

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-E1072

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.

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

January 28th, 1958.

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.

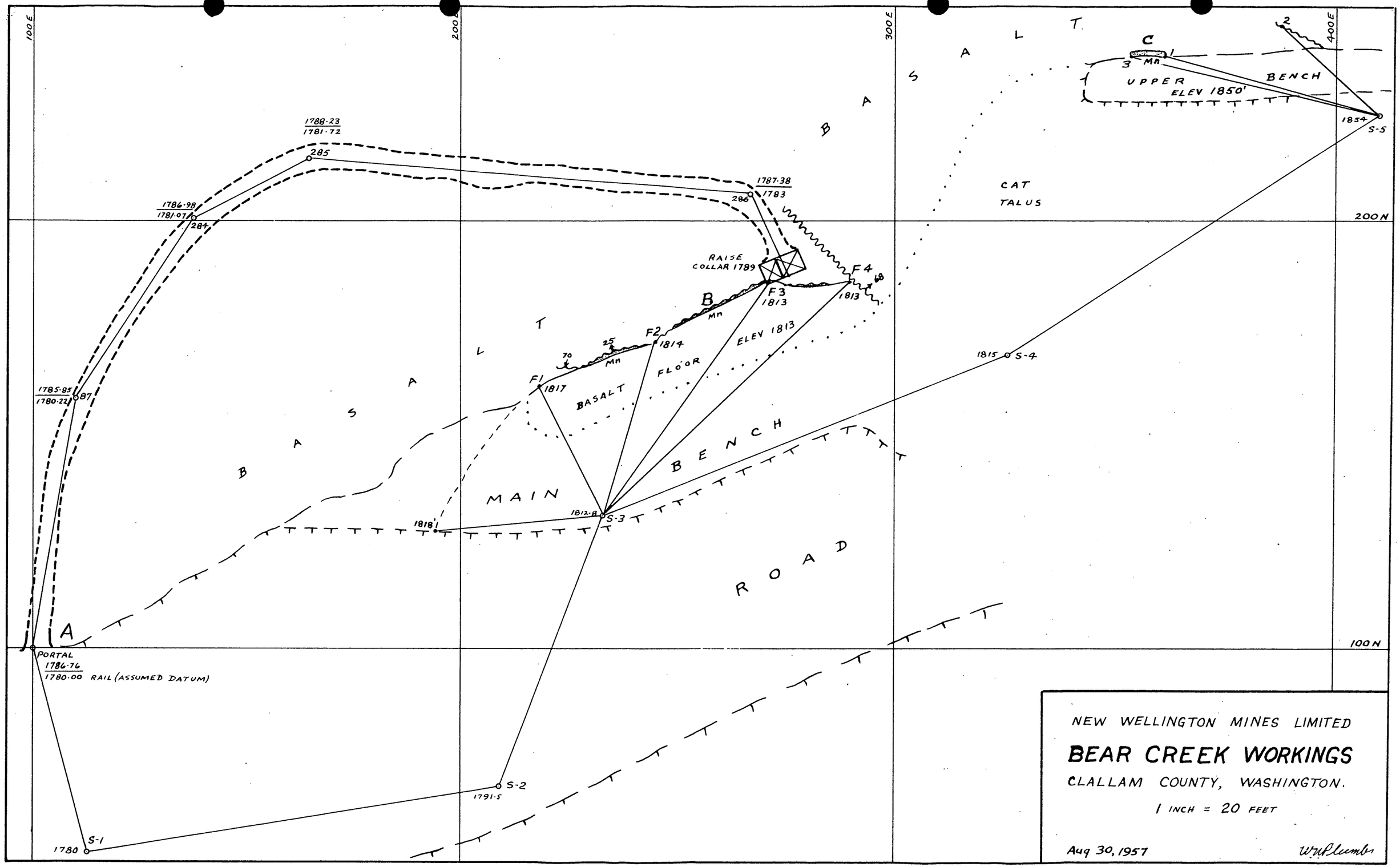
Respectfully submitted,

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

So. 157 Howard Street
Spokane 4, Washington

February 7, 1958

800

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.

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 1

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

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

Enclosures

cc: USBM (2)
USBM (AD)
Albec

DMEA Form 14

Contr[illegible] No. Idm-E 1072

Docket No. 4643

DEPARTMENT OF THE INTERIOR

Terminated contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
April 2, 1957	I	Washington	Manganese

Name and Address of Operator: New Wellington Mines, Ltd. (N.P.L.)
640 Montreal Street
Victoria, British Columbia, Canada

	Reserve	Obligation
Prior Amount	0	11,160.00
Increase	0	0
Decrease	~~0~~	~~2,941.88~~
Revised Amount	0	8,218.12

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date delivered to Bureau of Mines, Washington 3/28/58

22845

DMEA Form 14

Contract No. Idm-E 1072

Docket No. 4543

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
April 2, 1957	I NW	Washington	Manganese

Name and Address of Operator: New Wellington, Mines, Ltd. (N.P.L)
640 Montreal Street
Victoria, British Columbia, Canada

	Reserve	Obligation
Prior Amount	$11,160.00	0
Increase	0	$11,160.00
Decrease	$11,160.00	0
Revised Amount	0	$11,160.00

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 5/24/57

16416

Audit copy

MF-200A
(Rev. April 1956)

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1957

DATE	INITIALS	CODE
		800

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 15, 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. Mitchenor
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, ~~PRESIDENT~~, 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

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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DMEA
RECEIVED MAY 24 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-20[illegible] 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

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.____")

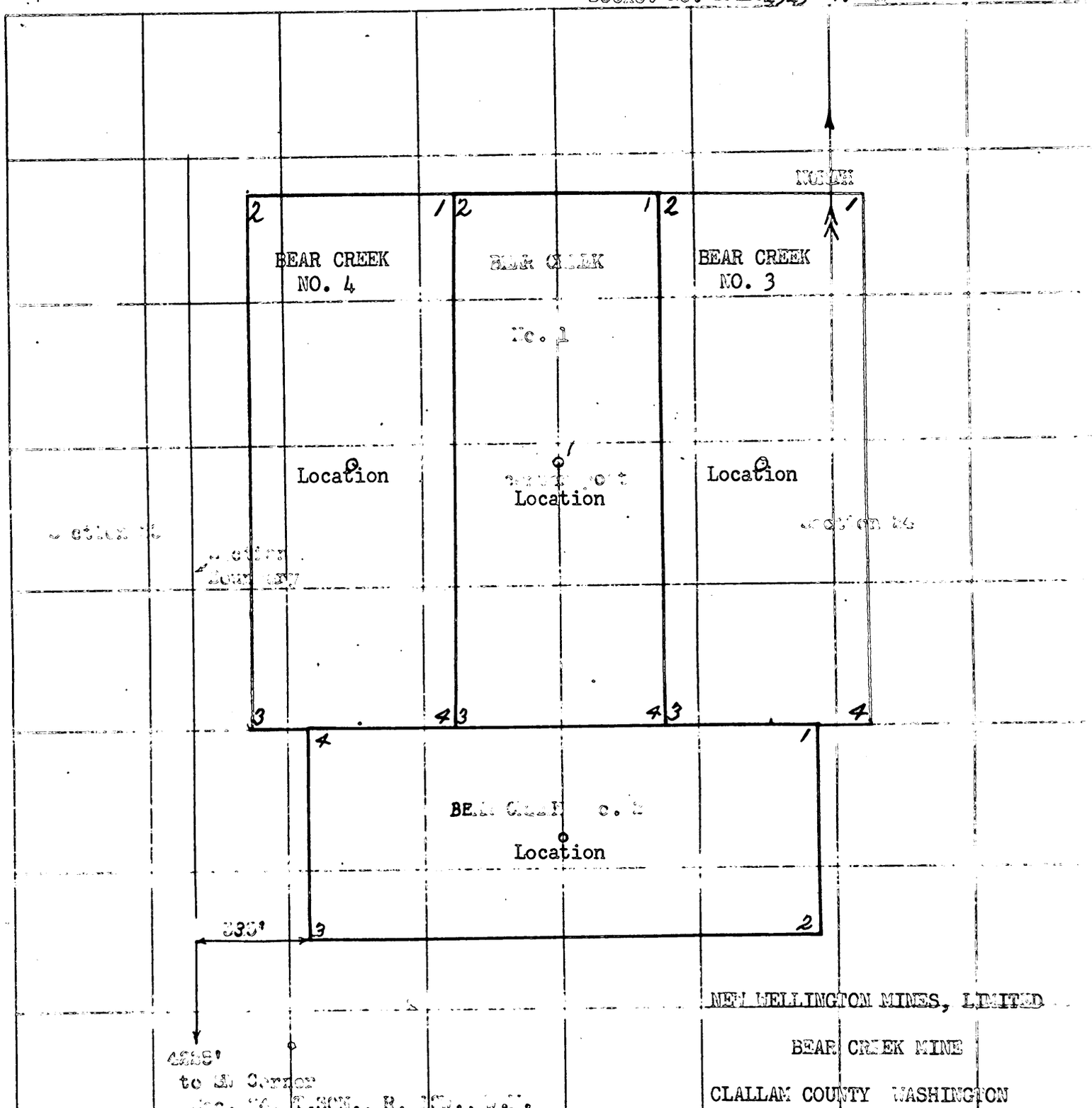
Dated this 16th day of April, 1957

[illegible] Jr.	[Seal]	635 Marine Dr. - Pt. Angeles	[Address]
Victor A. Oberg	[Seal]	711 East 6 St	[Address]
Mabel L. Oberg	[Seal]	711 E. 6th St.	[Address]
Estate of Hugh Groat	[Seal]	P.O. Box 308 - Port Angeles Wash	[Address]
By Andrew Jennings Josephine Fox Executor	[Seal]		[Address]
	[Seal]		[Address]

I, M. E. Oldring certify that I am the Secretary (Secretary, etc.) of the corporation named herein; that L. R. 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. D-4543 (Manganese)



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

one inch equals 400 feet

FIG. 1

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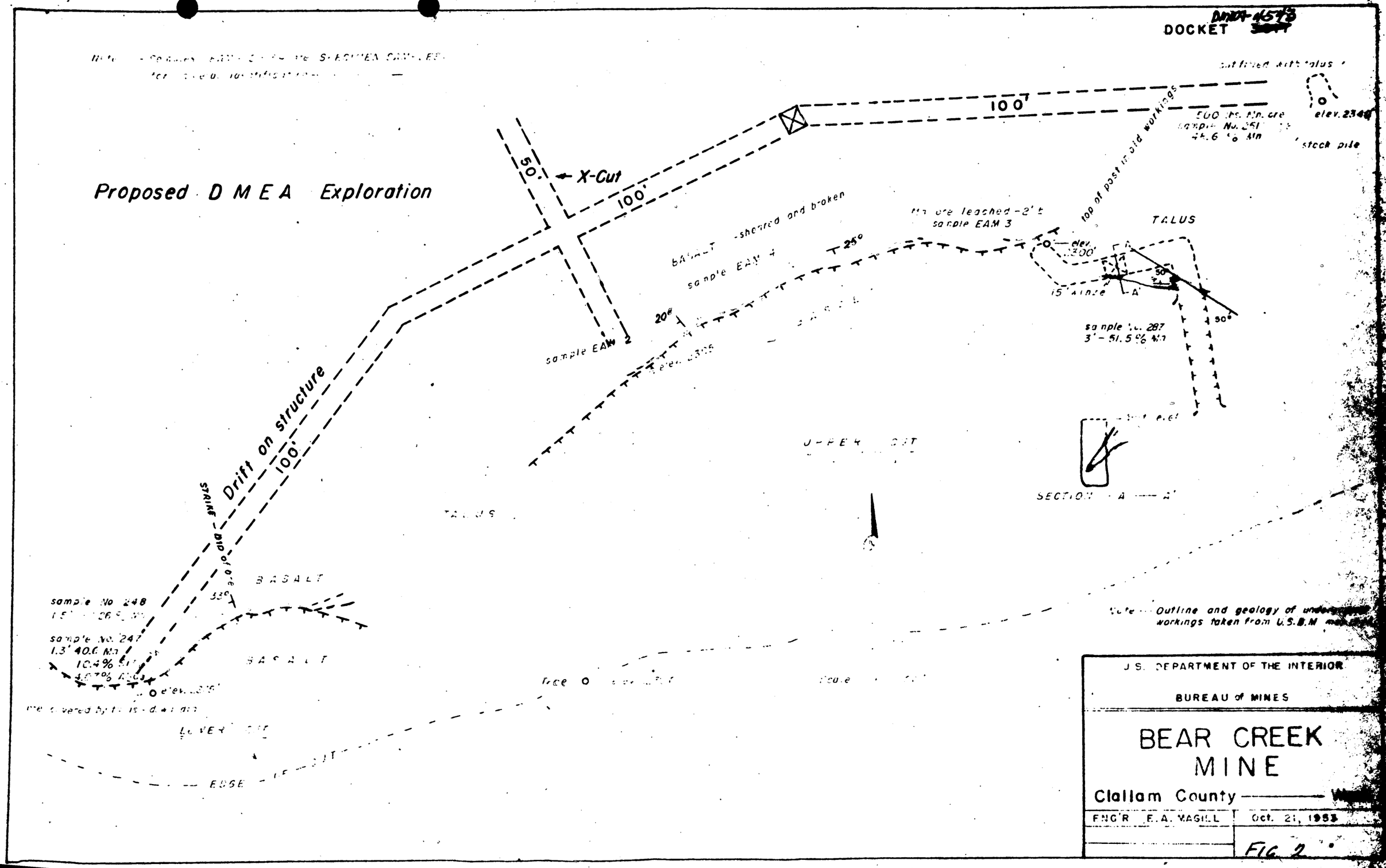
DATE	INITIALS	CODE

DOCKET DMEA-4573



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RECEIVED MAY 24 1957

DATE	INITIALS	CODE

Contract No. Idm-E 1072

Docket No. 4543

DEPARTMENT OF THE INTERIOR

Approved contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
April 2, 1957	I NW	Washington	Manganese

Name and Address of Operator: New Wellington Mines, Ltd. (N.P.L.)
640 Montreal Street
Victoria, British Columbia, Canada

	Reserve	Obligation
Prior Amount	0	0
Increase	$11,160.00	0
Decrease	0	0
Revised Amount	$11,160.00	0

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 4/2/57

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