MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6819

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 8/4/70
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

May 18, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 22 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: New Application (Gold)
Western Gold Mining, Inc.
New Light Mine
Whatcom County, Washington

Enclosed is an application from Western Gold Mining, Inc., for OME assistance to explore for extensions of a gold-mineralized breccia in the Slate Creek mining district, Whatcom County, Washington. Supporting data include Bulletin No. 57 of the Washington Division of Mines and Geology; this bulky volume is being retained in our office but will be forwarded if you require it.

The planned exploration consists of bulldozing trenches and diamond drilling from surface and underground drill stations. A unit-cost contract is requested. There are no bids included from either prospective bulldozer of diamond drill contractors.

The proposed work looks like pretty much of a long-shot try. Assay data are apparently meaningless or do not add to the attractiveness of the property as a potential gold producer. The remoteness of the property will necessitate high costs for transportation of bulldozers and drilling equipment. If however, the breccia can be traced between presently known exposures and is gold-bearing to the extent suggested by the mill tests, sizable ore reserves will result from the work.

Willard P Puffett
Willard P. Puffett

Enclosure

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED MAY 18 1970 O. M. E. SPOKANE, WASH.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85—701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Western Gold Mining, Inc.
1101 Joseph Vance Building
Seattle, Washington 98101

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6819

DATE RECEIVED 5/22/70

REGION 1

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Harry P. Kramer	1101 Joseph Vance Bldg. Seattle, Wash., 98101	President
M. S. Alexander	(Same)	Vice-President
George D. Bender	(Same)	Sec.-Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold

ESTIMATED COST OF PROJECT: $65,164.00

PROPERTY NAME / LOCATION COUNTY / STATE: New Light Mine, Whatcom, Washington

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

May 1, 1970
DATED

Harry P. Kramer
BY *(Signature)*

President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense.
U. S. Code, Title 18, Sec. 1001.

APPLICATION FOR FINANCIAL ASSISTANCE IN

MINERALS EXPLORATION

Western Gold Mining, Inc.
Seattle, Washington

1. Financial Eligibility:

   (a) Attached are copies of our letters to The Bank of California (our bank of account) and Seattle Trust & Savings Bank along with their replies to our request for credit to carry out the proposed exploration program (Exhibit A, attached).

   (b) There are no affiliated, parent or controlling companies.

   (c) From funds applicant now has in treasury.

2. Applicants' Rights in Land:

   (a) Land is held by right of location. Western Gold Mining, Inc., the applicant, is the owner. There are no liens, mortgages or other encumbrances on the land other than the annual assessment work necessary under the mining laws. Assessment work is current and has been performed for the year September 1, 1969 to September 1, 1970.

   (b) The claims upon which the proposed exploration program is to be conducted are located Sections 26 and 27, T38N, R17E, Whatcom County, Washington. A list of all the claims owned by Western Gold Mining Inc. in the area are shown in Exhibit B (attached to this application) along with a claim map showing their approximate locations.

   (c) All land and mineral rights are either owned in fee or by right of location by the applicant.

3. Physical Desceiption:

(a) There are no mining operations being carried on at the applicant's property at the present time. A recent publication by Wayne S. Moen (Moen, Wayne S., Mines and Mineral Deposits of Whatcom County, Washington, State of Washington, Division of Mines and Geology, Bull. 57, 1969, pp. 96-124) describes the applicant's properties which consist of the:

New Light Mine
Allen Basin Mines
Goat Mine
Spafford Group
Kramer Claims

Under this application it is proposed to carry out work only on the New Light claims.

The property is equipped with a 120 ton per day flotation-cyanide mill along with a diesel electric plant which furnishes power for the mill. Adequate bunk house and living facilities are on the property.

(b) The applicant owns all facilities on the property.

(c) Production from the property is believed to be over $1,000,000, but there are no production records to substantiate this figure.

(d) Ore reserves on the New Light claims are unknown and it is the purpose of the proposed exploration to help in determining what they may be. There are substantial tonnages of gold bearing breccia partially exposed on the various mine levels. The grade and continuity of the breccia are unknown. Mill tests on 300 tons of breccia ore from the No. 2 level indicated that it averaged about 0.33 ounce per ton in gold. Chip and channel samples cut in the underground workings have given widely different results, possibly because of the occurrence of free gold.

If continuity could be proven between the breccia zones exposed in the upper workings (No. 1 level) and the lower workings (No. 4 level) (a vertical distance of approximately 1,000 feet) we would have a minimum of 2.5 million tons of breccia between the levels.

(e) Please refer to Moen's report mentioned above, a copy of which is included with this application.

(f) There are no systemic sample data available for the breccia zone. As mentioned above, in 1963 a test run of 300 tons of breccia ore from the No. 2 level was milled in the applicant's flotation-cyanide plant on the property. This test run indicated an average grade of 0.33 ounces per ton gold and 0.137 ounces per ton silver. Assays of the jig concentrates obtained from this test run indicated that the concentrate contained from 0.02 to 0.26 ounces per ton of platinum.

(g) Enclosed are two copies of Washington Department of Natural Resources, Division of Mines and Geology Bulletin No. 57.

Also enclosed are two copies of a report by the consulting firm of Magill and Associates, Mercer Island, Washington on the New Light Mine.

These reports need not be returned.

4. Accessibility of the Property:

(a) The property is reached via the towns of Winthrop and Mazma and the road over Harts Pass. The mine camp and mill are 4 miles west of Harts Pass by road. The property is snow free and available for examination generally on or after June 15th.

The examining engineer should contact either:

Mr. Harry Kramer
1101 Joseph Vance Building
Seattle, Washington 98101
Telephone (206) 623-3959

or

Elwin Magill
Magill & Associates
Box 746
Mercer Island, Washington 98040
Telephone (206) 232-3834

(b) The nearest supply point to the property is Winthrop, Washington which is 40 miles by road. The nearest railroad facilities are those of the Burlington Northern at Pateros, Washington, which is 41 miles from Winthrop by State Highway.

5. Exploration Work:

(a) It is proposed to carry out 120 hours of bulldozer trenching and 3,150 feet of diamond drilling to further delinate and determine the grade of the mineralized breccia zones exposed at the New Light mine. Additional trenching amounting to 24 hours and 350 feet of diamond drilling are proposed to test the contact zone along the granitic stock which outcrops on the property. Locations of the proposed work are shown on the attached plan map marked Exhibit C. The proposed work to be carried out by a D-8 bulldozer or equivalent, diamond drilling to be BX or larger in size.

(b) The only access roads that need to be built are those to drill sites as shown on the attached map (Exhibit C). These roads will be constructed as part of the trenching program.

(c) If an OME contract is executed it will be necessary to carry out the work between approximately June 15 and November 15 due to snow conditions in the area.

6. Experience:

The work will be carried out by independent contractors under the direct supervision of the consulting firm of Magill and Associates, Box 746, Mercer Island, Washington 98040.

7. Estimate of Costs:

It is proposed that a unit cost contract be entered into, with fixed costs for each item of work to be undertaken.

(a) Independent Contracts:

Bulldozer trenching

144 hours @ $35 per hour.....$5,040

(D-8 angledozer with ripper, costs to include a helper to remove any trees and perform associated tasks).

Diamond drilling

2,900 feet of drilling from surface BX or larger @ $13 per foot.....$37,700

600 feet of drilling from underground BX or larger @ $15 per foot.....$9,000

(b) Personal Services:

Engineering and geologic Consulting Services

20 days @ $150 per day.....$3,000

Office expenses

6 days @ $50 per day.....$300

Sample Foreman

3 months @ $1,000 per month including transportation.....$3,000

(c) Operating materials and supplies:

It is purposed that these be included under the independent unit cost contracts.

(d) Operating Equipment:

No operating equipment is proposed, other than that furnished by the independent contractors.

(e) Initial rehabilitation and repairs:

None.

(f) New Buildings, Fixtures, Installations:

No new buildings are proposed and those presently existing will be furnished free of charge by the applicant.

(g) Miscellaneous:

No repairs or maintenance is proposed. These items will be taken care of by the independent contractors as part of their unit costs.

Assays-

200 each for gold and silver @ $6.00 each.....$1,200

Contingency 10 percent.....$5,924

Total estimated cost of project.....$65,164

April 2, 1970

Seattle Trust and Savings Bank
804 - 2nd Avenue
Seattle, Washington

Gentlemen:

Our company is presently considering undertaking an exploration program to be carried out on our gold mine properties in the Slate Creek District of Whatcom County, Washington. We propose to carry out bulldozer trenching and 3,500 feet of diamond drilling to further determine the extent and grade of our breccia ore bodies.

It would be appreciated if you would indicate to us under what terms a loan of $50,000.00 would be available to carry out the proposed work.

Very truly yours,

WESTERN GOLD MINING, INC.

Harry P. Kramer, President

HPK:eh

MAIN OFFICE

SEATTLE *Trust & Savings* BANK

804 SECOND AVENUE
SEATTLE, WASHINGTON 98104

L. F. ESHOM
Senior Vice President

April 3, 1970

Mr. Harry P. Kramer, President
Western Gold Mining, Inc.
Joseph Vance Building
Seattle, Washington 98101

Dear Mr. Kramer:

Your letter of April 2, 1970, addressed to us in respect to obtaining a loan of $50,000 and the attached exhibits and reports have received our attention. We are sorry to tell you that we do not see how it would be possible for the bank to make such a loan in view of the uncertainty of repayment. I am sure you understand the uncertainties we are referring to probably better than we.

Thank you very much for allowing us to look at this matter.

Sincerely,

LFE:sh

April 2, 1970

Bank of California
815 - 2nd Avenue
Seattle, Washington

Gentlemen:

Our company is presently considering undertaking an exploration program to be carried out on our gold mine properties in the Slate Creek District of Whatcom County, Washington. We propose to carry out bulldozer trenching and 3,500 feet of diamond drilling to further determine the extent and grade of our breccia ore bodies.

It would be appreciated if you would indicate to us under what terms a loan of $50,000.00 would be available to carry out the proposed work.

Very truly yours,

WESTERN GOLD MINING, INC.

Harry P. Kramer, President

HPK:eh

Offices in all three Pacific Coast states

THE BANK OF CALIFORNIA *National Association*

SEATTLE OFFICE: 815 Second Avenue, P. O. Box 3095, Seattle, Washington 98114 • (206) 587-6100

April 8, 1970

Mr. Harry P. Kramer, President
Western Gold Mining, Inc.
Joseph Vance Building
Seattle, Washington 98101

Dear Mr. Kramer:

Reference is made to your letter of April 2, 1970 requesting our consideration of an unsecured term loan in the amount of $50,000.00 for the purpose of expediting an exploration program on your gold mine properties in the Slate Creek District of Whatcom County, Washington. The loan would be unsecured without a definite repayment program.

Further, it is my understanding that you would contemplate the use of your present cash resources in the approximate amount of $100,000.00 for general operating and exploration expenses. Therefore, it would appear that no cash would be on hand for debt liquidation.

In view of the potential long-term nature of this accommodation and the lack of any definite source of funds for repayment, we are obliged to decline this credit for the present. Please be assured that this declination is in no way a reflection on the integrity of your good self or the credit worthiness of your firm. Your relationship with this bank has been excellent over the years and we value it highly.

Kindly advise in the event we may be of assistance in the future.

Very truly yours,

G. H. Neuman

G. H. Neuman
Vice President

GHN:sb

EXHIBIT B

Claims owned by Western Gold Mining, Inc.

PATENTED CLAIMS

Allen Basin Group

Number on Map	Name
1.	Nephew
2.	Aunt
3.	Equinox
4.	Black Dwarf
5.	Captain Jack
6.	IXL
7.	Solitare
8.	Walla Walla
9.	Harnessmaker
10.	Uncle
11.	Queen City
12.	Sister Grace
13.	Maccabee
14.	Blue Hen

(All under Mineral Survey 807, Patent No. 54339)

UNPATENTED CLAIMS

New Light Group

Number on Map	Name
1.	Grant
2.	Haida
3.	Casey
4.	Jackson
5.	Ohio
6.	Denver
7.	Cabin
8.	Gordon
9.	Arrow
10.	Butte
11.	Lee
12.	Echo
13.	Reno
14.	Bonus
15.	Rego
16.	Hugo
17.	Manilla
18.	Black Jack
19.	Harnessmaker Ext'n

Goat Group

Number on Map	Name
1.	King
2.	King Spring
3.	Goat No. 1
4.	Goat No. 4
5.	Rust
6.	Goat No. 2
7.	Cougar No. 1
8.	Iron Crown
9.	Goat
10.	Marine
11.	Gold Shield
12.	Cougar

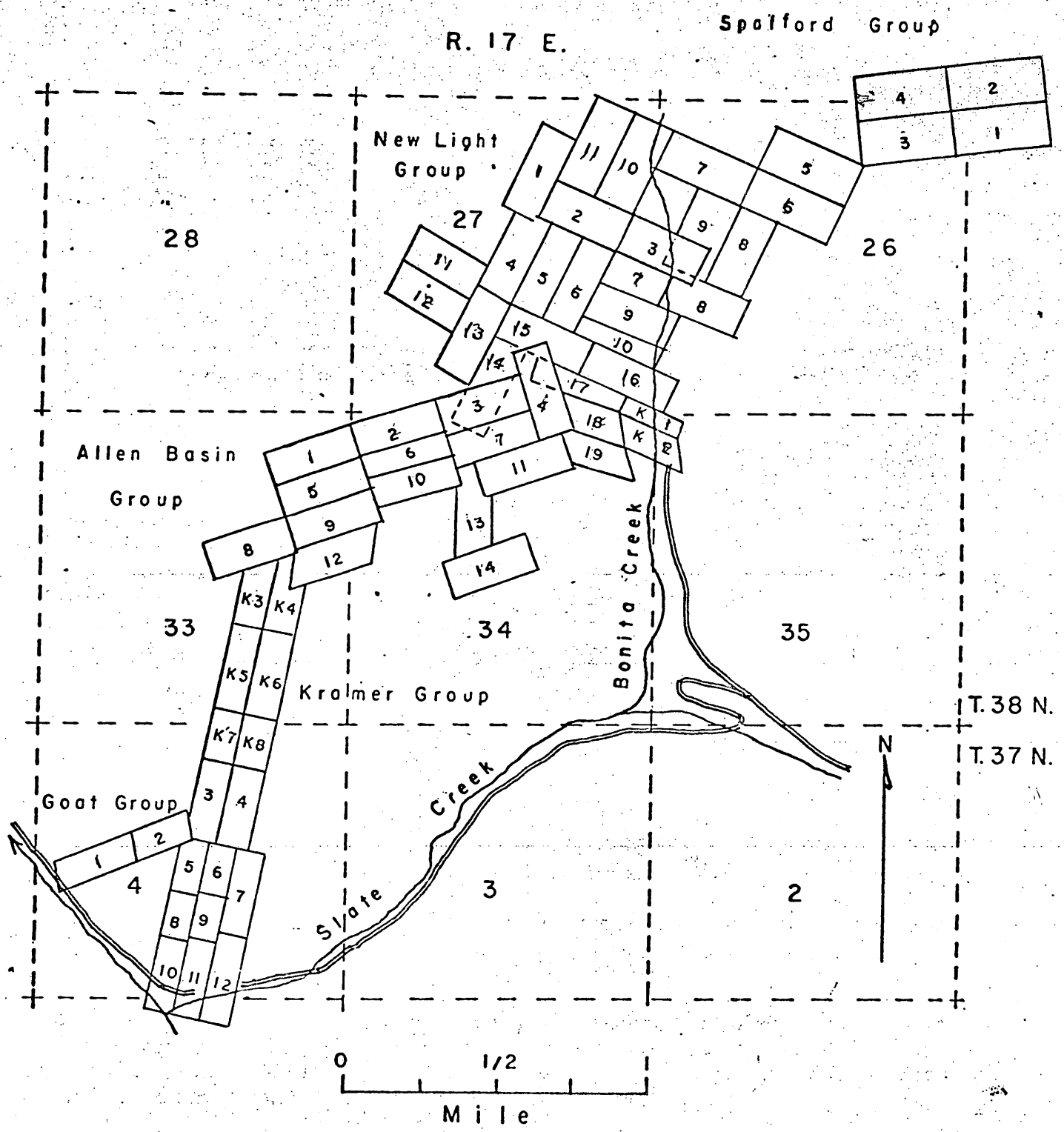
Kramer Group

Number on Map	Name
1.	Kramer No. 1
2.	Kramer No. 2
3.	Kramer No. 3
4.	Kramer No. 4
5.	Kramer No. 5
6.	Kramer No. 6
7.	Kramer No. 7
8.	Kramer No. 8

Spafford

Number on Map	Name
1.	Ptarmigan No. 1
2.	Ptarmigan No. 2
3.	Ptarmigan No. 3
4.	Ptarmigan No. 4
5.	Homestake No. 1
6.	Homestake No. 2
7.	Ridge Lode No. 1
8.	Ricky No. 4
9.	Ricky No. 6
10.	Glorybe No. 1
11.	Glorybe No. 2

EXHIBIT E.



Claim Map- Western Gold Mining Co., Inc.

ORIGINAL
COPY
O. M. B.
RECEIVED
MAY 22
INITIAL CODE

Preliminary Examination

of the

New Light Mine

Whatcom County, Washington

October 1, 1969

Magill & Associates
Consulting Mining Engineers & Geologists
Box 746
Mercer Island, Washington 98040

CONTENTS

	Page
Introduction	1
Location and Access	1
History and Production	1
Property and Ownership	2
Geology	2
Conclusions	4
Recommendations	5
Plan Map - New Light Mine	Appendix

PRELIMINARY EXAMINATION OF NEW LIGHT MINE,

WHATCOM COUNTY, WASHINGTON

INTRODUCTION

An examination of the New Light Mine was made in July 1969. Five days were spent on the property, all accessible underground workings were examined. Developmen work carried out in recent years was mapped and the outlines of the breccia ore body were remapped Recommendations for further development work are outlined.

LOCATION AND ACCESS

The New Light Mine is located in Section 27, T38N, R 17E, Slate Creek Mining District, Whatcom County, Washington. Access from Winthrop, the nearest supply point, is via 40 miles of state, county and forest service roads. During the summer of 1969 surveys were being carried out by the forest service to widen their portion of the road, which is presently one lane, to two lanes. Conventional vehicles have no difficulty reaching the property at the present time and driving time from Winthrop is slightly over one hour.

The North Cross State Highway which is presently being constructed by the state of Washington and which is scheduled for opening in 1971 will pass within fifteen miles of the mine. Construction of seven miles of new road from the highway to Chancellor will allow access to the new highway and greatly reduce road distance to Seattle.

HISTORY AND PRODUCTION

Wayne S. Moen in a recent State of Washington publication[1] (pages 114-115) adequately covers the history and the production from the New Light Mine.

[1]Moen, Wayne S. Mines and Mineral Deposits of Whatcom County, Washington, State of Washington, Division of Mines and Geology, Bull. 57, 1969.

During the summer of 1969, damage to the mill, which had been caused by heavy snows of the previous winter, was repaired. It was necessary to completely rebuild that portion of the mill building housing the cyanide section. The portion covering the crushing section was realigned and strengthened. The portal of No. 2 adit which had sloughed was reopened.

A watchman was maintained on the property throughout the summer months to protect the property.

PROPERTY AND OWNERSHIP

The New Light Mine itself is made up of 19 unpatented contiguous claims. In addition to these Western Gold Mines, Inc., Joseph Vance Bldg., Seattle, Washington, also owns the Allen Basin, Goat, Spafford and Kramer groups of claims for a total of 14 patented and 50 unpatented contiguous claims in the Slate Creek Mining District.

GEOLOGY

The broad geologic picture of the gold mineralization which occurs at the New Light Mine is relatively simple. There are a series of shear zones that contain gold bearing quartz veins. There are also extensive zones of brecciated county rock which have been cemented by gold bearing quartz. The detailed picture is much more complex, as the breccia has been offset by a series of faults, the pattern of which to date has not been solved.

Moen in his recent publication[2] describes the geology of the New Light Mine and the adjoining properties belonging to Western Gold Mines, Inc. My examination was primarily concerned with the breccia ore bodies at the New Light Mine.

The rocks in the vicinity of the New Light Mine are arkose, quartizite, conglomerate, argillite and slate of the Pasayton Formation (Lower Cretaceous). These rocks have been intruded by a small diorite stock which outcrops to the north of the mine area.

[2] Op Cit, pages 96-118

Underground workings have been driven on four main levels over a vertical distance of 1,100 feet (see plan map, New Light Mine in appendix). The underground workings have encountered extensive zones of breccia. The breccia consists of angular fragments of slate and argillite that are from less than an inch to a foot or more across. Gold-bearing quartz is the main cementing agent of the breccia and is accompanied by a minor amount of calcite. Fine-grained pyrite, phyrrhotite, chalcopyrite and galena occur as disseminations and as narrow stringers in the breccia. Native gold is rarely visable megascopicly, but it has been recovered in significant amounts from the jig and on the wifley tables when the ore is milled.

Gold values within the breccia are erractic and samples taken over the years by various people vary greatly. One of the better methods to determine the grade of an ore body of this type is by milling bulk samples and ascertaining actual recovery. In 1963, bulk samples amounting to 300 tons were milled to check average grade of the breccia. Samples were taken from the breccia zone exposed on No. 2 level. These mill tests indicated an average gold content of 0.33 ounce per ton gold and an average silver content of 0.137 ounce per ton. Subsequent work by Robert B. Lambert, consulting metallurgist, determined that the floatation concentrates from the mill tests contained approximately 0.02 ounces ton of platinum. Analysis in 1969, by Englehard Minerals and Chemicals Corporation indicated that the concentrates contained 0.26 ounce per ton platinum. The breccia zone as stated above has been intersected on the four principal levels of the mine and in two additional short adits, the Aleen and Triangle. It is also exposed in a road cut above the No. 3 level.

On the No. 1 level, which is at an elevation of 6,505 feet, a breccia zone is exposed with dimensions of 100 feet by 140 feet. The northeast limits of the zone have not been determined. Boundaries of the zone on this level, although sharp, do not appear to be fault contacts. There is no surface exposure (approximately 150 feet above No. 1 level) of the zone as the ground is covered with overburden.

On the No. 2 level which is at an elevation of 6,428 feet (77 feet below the No. 1 level), the breccia zone as exposed on the level has a maximum exposed width of 35 feet and a length of 170 feet. The levels are connected by two raises, one of which is in breccia its entire length and the other part-way. The narrow width of the breccia on the No. 2 level is due to a fault which strikes generally east-west and dips from 25 to 48 degrees to the north. This fault has displaced the breccia possibly as much as 300 feet to the east. Breccia similiar in appearance is exposed in the Aleen adit 300 feet eastward and 150 feet lower in elevation. However,

there exists the very definite possibility that these are similar, but two entirely separate, breccia zones. On No. 2 level, some 75 feet east of the main breccia zone, there is a small area of breccia exposed in two short crosscuts and a stope above. Portions of this breccia zone are limited by fault contacts, but it is not clear what the relationship, if any, with the main breccia zone is.

On the No. 3 level which is at an elevation of 6,019 feet, the same or a similar breccia zone is exposed. Limits of the zone have not been determined by the workings. Exposures do indicate that it has a minimum extent of 100 feet by 125 feet. There is a surface exposure in a road cut above the level which gives an indicated size to the zone of at least 180 feet by 150 feet. Some 130 feet above the breccia exposed on the No. 3 level, the Triangle adit exposes breccia for 85 feet. The No. 3 level and Triangle adit are connected by a raise which is inaccessible. Contacts of the breccia zone and the country rock on the No. 3 level are sharp, but are not believed to be fault contacts. Open pit mining of the breccia would be feasible above and below the No. 3 level.

Some 525 feet southeast of the exposures in the No. 3 level and 460 feet lower in elevation the No. 4 adit has cut a breccia zone 110 feet in width. Its appearance is similar and it is presumed that it is a downward extension of the zone exposed on the level above. It would take several drill holes to determine this with more certainty. Breccia contacts on the No. 4 level appear to be normal and though they are irregular, they are relatively sharp.

Underground and surface exposures give us a breccia zone with a minimum dimension of 100 feet and maximum exposed dimension of 140 feet. Exposures appear to indicate that the zone or zones have an elliptical shape (where faults have not interferred). Vertical distance over which there are breccia exposures is 1,100 feet. Maximum horiztontal distance between exposures is 1,600 feet. Whether or not the breccia was originally all the same body cannot be determined from the information available at the present time. Undoubtedly the brecciation is connected with underlying granitic bodies. It would not seem logical that brecciation occurred in only one zone.

CONCLUSIONS

Underground and surface workings at the New Light Mine have incompletely exposed a gold bearing, quartz cemented breccia zone or zones.

These zones are exposed over a vertical distance of 1,100 feet and a horizontal distance of 1,600 feet. Exposures indicate that the zones are roughly elliptical in shape. Faults have limited their extent in some cases. Bulk sampling from the No. 2 level indicates a grade for that area of the breccia of 0.33 ounce per ton gold and 0.137 ounce per ton of silver.

Additional work is necessary to determine whether we are dealing with one or more zones and the exact size of the zone or zones. Additional bulk samples from the different levels and exposures are necessary to determine the grade of the ore bodies from those levels.

RECOMMENDATIONS

To further develop the breccia ore bodies several recommendations are made subject to revision as the work progresses:

1. Bulldozer trenching with a D-8 (or equivalent) hydraulic dozer with ripper.

    a. Strip the overburden from the area above the No. 1 level breccia zone.
    b. Extend the breccia exposure in the road cut below the Triangle adit.
    c. Trench on the side hill above where the breccia is exposed in No. 3 level.
    d. Trench in the vicinity of the Aleen adit to extend that exposure.

2. Diamond drilling - surface holes BX size or larger

    a. Several holes between the No. 3 and No. 4 adits to determine continuity and limits of the breccia zone.
    b. Several holes in the vicinity of and above No. 3 adit to determine limits and upward extent of the breccia.

3. Diamond drilling - underground holes

    a. Drill several holes from the No. 4 level to determine the downward extent of the breccia zone exposed on that level.

4. Breccia grade determination

    Run bulk samples through the mill to determine the exact recoverable grade from all levels and surface exposures. These mill runs should

be made in conjunction with sink float tests to gather additional data on results of preliminary concentration prior to milling.

5. Adjoining properties

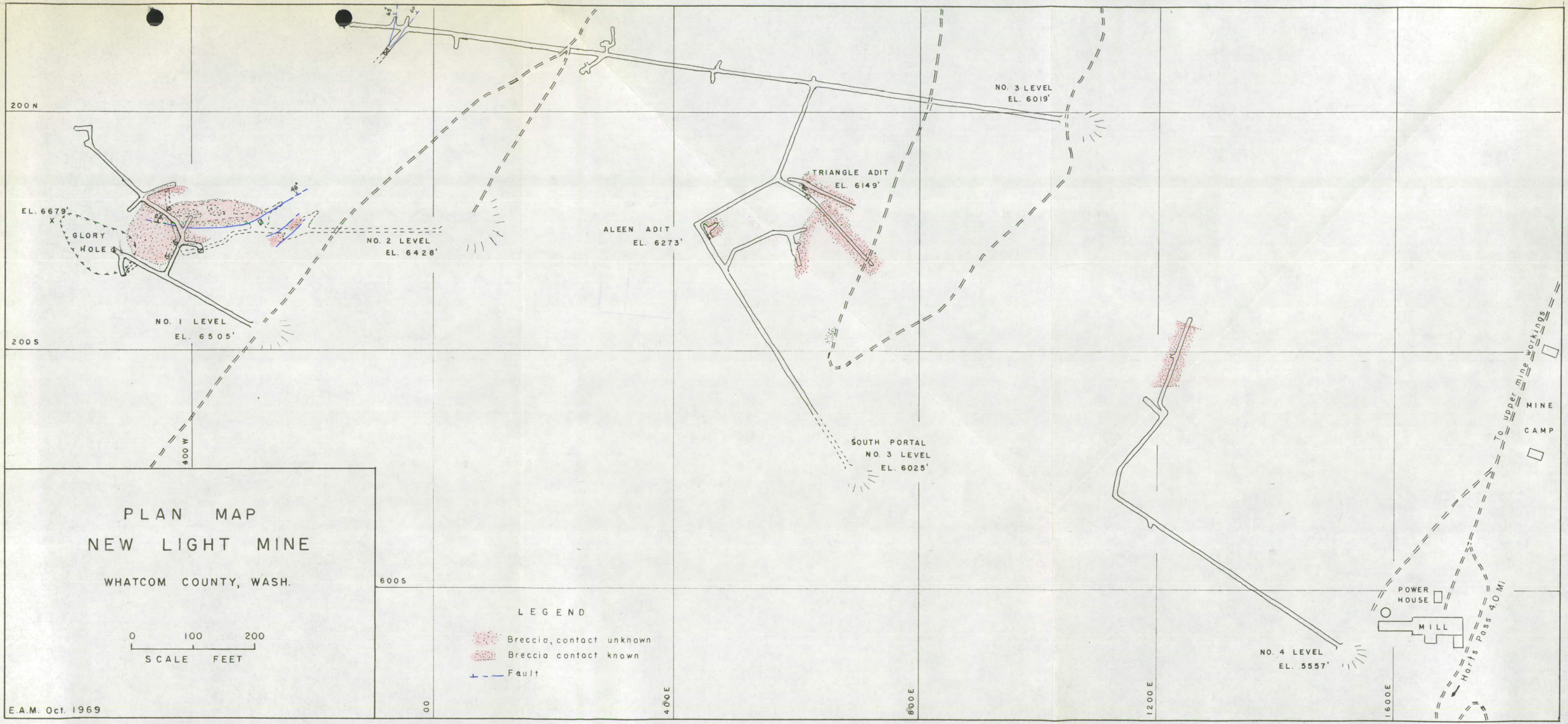
In conjunction with the above program, detailed mapping and sampling should be carried out on the other properties owned by Western Gold Mines in the district. These properties include the Allen Basin, Goat, Spafford and Kramer groups of claims.

Respectfully submitted,

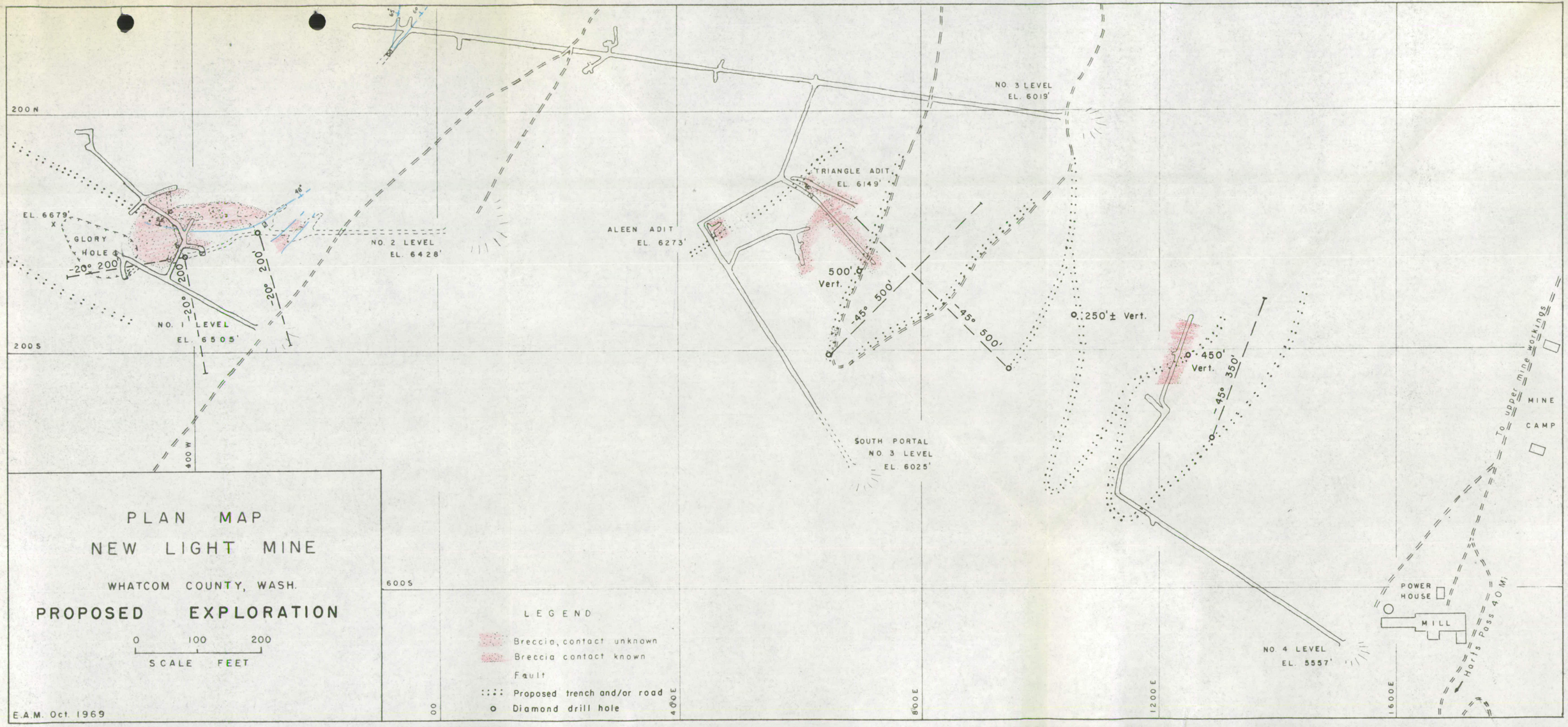
Elwin A. Magill
Mining Engineer

ELWIN A. MAGILL
STATE OF WASHINGTON
3393
REGISTERED
PROFESSIONAL ENGINEER

October 1, 1969


PLAN MAP
NEW LIGHT MINE
WHATCOM COUNTY, WASH.
0 100 200
SCALE FEET
E.A.M. Oct. 1969
LEGEND
Breccia, contact unknown
Breccia contact known
Fault
200 N
200 S
400 W
600 S
00
400 E
800 E
1200 E
1600 E
EL. 6679'
GLORY HOLE
NO. 1 LEVEL
EL. 6505'
NO. 2 LEVEL
EL. 6428'
ALEEN ADIT
EL. 6273'
TRIANGLE ADIT
EL. 6149'
NO. 3 LEVEL
EL. 6019'
SOUTH PORTAL
NO. 3 LEVEL
EL. 6025'
NO. 4 LEVEL
EL. 5557'
POWER HOUSE
MILL
MINE CAMP
To upper mine workings
Harts Pass 4.0 Mi

LIBRARY
GEPT
O. H. E.
RECEIVED
MAY 22 1970
INSTRUCTIONS


PLAN MAP
NEW LIGHT MINE
WHATCOM COUNTY, WASH.
PROPOSED EXPLORATION
0 100 200
SCALE FEET
E.A.M. Oct. 1969
LEGEND
Breccia, contact unknown
Breccia contact known
Fault
Proposed trench and/or road
Diamond drill hole
200 N
200 S
400 W
600 S
00
400 E
800 E
1200 E
1600 E
EL. 6679'
GLORY HOLE
-20° 200'
NO. 1 LEVEL
EL. 6505'
NO. 2 LEVEL
EL. 6428'
ALEEN ADIT
EL. 6273'
TRIANGLE ADIT
EL. 6149'
NO. 3 LEVEL
EL. 6019'
500' Vert.
-45° 500'
250'± Vert.
450' Vert.
-45° 350'
SOUTH PORTAL
NO. 3 LEVEL
EL. 6025'
NO. 4 LEVEL
EL. 5557'
POWER HOUSE
MILL
MINE CAMP
To upper mine workings
Harts Pass 4.0 Mi.

SPECIAL
DEPT.
O. H. E.
RECEIVED
MAY 22 1970
WRITE IN CODE

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/10/70	Emerick	120
8/12	[illegible]	
		220

AUG 13 1970

AIRMAIL

Western Gold Mining, Inc.
1101 Joseph Vance Building
Seattle, Washington 98101

Re: OME-6819 (Gold)
Western Gold Mining, Inc.
New Light Mine
Whatcom County, Washington

Gentlemen:

A careful review of your application for financial assistance to explore the subject property and other information available to us indicates that the probability of disclosing significant reserves of gold on your property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application for assistance is denied.

We wish to thank you for your interest in the minerals exploration program and for bringing your property to our attention.

Sincerely yours,

William L. Emerick (gla)
William L. Emerick
Assistant Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Emerick
130

WLEmerick/bsl 8/10/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/10/70	Emerick	120
		220

August 10, 1970

Memorandum

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6819 (Gold)
Western Gold Mining, Inc.
New Light Mine
Whatcom County, Washington

Justification for Denial of Application

The Applicant proposed to explore for continuity of a gold-bearing breccia zone between four mine levels by bulldozer trenching and by diamond core drilling from surface and underground stations. Total cost of the work was estimated at $65,165.

The underground workings appeared to the Field Officer in his examination as having been carefully sampled, but the applicant did not submit assay data with the application and did not offer any information regarding the sampling done underground. Samples collected by the Field Officer in an attempt to determine the gold content of the breccia zone between the four mine levels indicated only very small amounts of gold in the breccia. The assay data compiled by the Field Officer indicate that except for a mined out area above the underground workings the gold content is very low, and no significant discovery of gold ore can be expected to result from the proposed exploration.

The Field Officer, therefore, recommends that the application be denied. From my own review of the application and the Field Officer's examination report I concur with his recommendation.

William L. Emerick

William L. Emerick

CC: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File

WLEmerick/bsl 8/10/70

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 7 1970
INITIALS
Ga 1 20
Col 1 20
WE 1 20

August 4, 1970

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Application Examination Report
OME 6819 (Gold)
Western Gold Mining, Inc.
New Light Mine
Whatcom County, Washington

On-Site Exam Report

INTRODUCTION

Western Gold Mining, Inc., has applied for OME assistance to explore for extensions of gold-bearing breccia between levels of underground workings at the New Light mine, a few miles north of Hart's Pass, Whatcom County, Washington. I examined the property from Sunday noon, July 12, until Tuesday noon, July 14, 1970. Mr. Harry P. Kramer, President of Western Gold Mining, Inc., Mr. E. A. Magill, consultant, and several day laborers were at the mine during my examination. A bulldozer was actively trenching in several areas on the property. I examined all the underground workings and collected 7 samples from underground and 1 sample of concentrates from the now inactive mill. All of the samples were assayed for gold.

RECOMMENDATION

I recommend that the application be denied. There undoubtedly is a large tonnage of quartz-cemented breccia on the property and it would be of interest to learn if the breccia is continuous between the underground levels. Assay data indicate, however, that, except for near the glory hole above the underground workings, the gold content is very low, and no significant discovery of gold ore can be expected as a result of the planned exploration.

APPLICANT

Western Gold Mining, Inc.
1101 Joseph Vance Building
Seattle, Washington 98101

Officers include:

President	Harry P. Kramer	1101 Joseph Vance Bldg. Seattle, Washington 98101
Vice-President	M. S. Alexander	same as above
Secretary-Treasurer	George D. Bender	same as above

PROPERTY

The applicant owns, by right of location, several groups of claims in the Slate Creek area of Whatcom County, Washington. Claims that are subject of the application, however, are only those of the New Light Group and are in Sec. 27, T. 38 N., R. 17 E., Whatcom County, Washington (figure 1 -Composite Plan, Claim, and Index maps, New Light mine, Sec. 27, T. 38 N., R. 17 E., Whatcom County, Washington). The application did not list book and page numbers where the claims have been recorded.

The underground workings are on a steep hillslope west of Bonita Creek and range in altitude from 5557 feet at the portal of No. 4 level, to 6505 feet at the portal of the No. 1 level (figure 1). The rim of the glory hole is at 6679 feet (applicant's map). The more than 5,000 feet of underground workings are distributed among 4 main levels and 3 short adits. Raises extend from No. 2 level to No. 1 level. Short raises and ore chutes have been emplaced in the breccia zone on the No. 4 level. Nearly all the workings are open for inspection; sloughed surface material near the portals of the adits now prevents the entry of mining equipment.

A fully equipped mill is near the portal of the No. 4 level and has a rated capacity of 120 tons (Moen, 1969, p. 116). Bunkhouses and a dining hall with facilities for 30-40 men are a few hundred feet northeast from the mill.

LOCATION AND ACCESSIBILITY

The claims of the New Light mine are in the extreme eastern part of Whatcom County, Washington, and are 36.7 miles by road from the nearest shopping center, Winthrop. To reach the mine, follow State highway northwest from Winthrop 13.3 miles, turn right and go through Mazama and to the end of the paved road, about 3.1 miles, continue 6.3 miles along the gravelled road to the turn-off and road that leads 9.8 miles up a steep slope to Hart's Pass. Follow the steep road downslope 2.9 miles from Hart's Pass, turn right and follow road to Windy Pass for 1.3 miles to the mill near the southern boundary of the mine property. The roads to the mine can be traversed by the ordinary vehicle during the summer months; undoubtedly the road over Hart's Pass is closed during the winter months.

Steep access roads with many switchbacks lead from the mill to the upper workings of the mine.

GEOLOGY

The ore at the New Light mine occurs in veins and in quartz-carbonate cemented breccia that have formed in dark gray slates and medium gray quartzites of the Pasayten Formation of Early Cretaceous age (Moen, 1969, p. 115). Recognized ore minerals include free gold, galena, pyrite, and sparse chalcopyrite.

The sedimentary rocks strike northeasterly to northwesterly, and dip moderately to steeply east. Bedding is conspicuous; beds are generally less than a foot thick.

Gray igneous dikes and sills have intruded the sedimentary rocks. Moen (1969, p. 115) refers to these as diabase. Identification of the dikes in the underground is questionable; however, sill-like igneous bodies exposed on the surface are probably quartz monzonite for they contain two types of feldspars and conspicuous quartz phenocrysts. These might be genetically related to a granitic stock that crops out north of the mine.

White minerals that include both calcite and an unidentified non-calcareous mineral, possibly a sulfate, coat many fracture surfaces in the black slate, particularly near the zones of breccia. Very fine-grained pyrite is also common in the slate.

Coarse breccia apparently is the host for the gold-bearing ore bodies that have been found below the glory hole--reportedly the ore in the glory hole was in a quartz vein. The breccia consists of angular to rounded fragments of black slate and gray quartzite that range from less than an inch to more than a foot across. White quartz and creamy white to tan carbonate, calcite or siderite or both, cement the fragments. Coarse grained pyrite or marcasite is common in much of the quartz and calcite and constitutes an estimated one percent of the rock. Sheeted zones that contain many parallel stringers of quartz and calcite less than an inch thick are marginal to the zones of breccia. Galena is in veins similar to these in the fragments on the dump near the No. 1 level and the Glory Hole. No galena was seen in any of the breccia or sheeted veinlets in the workings below the No. 1 level. Breccia zones are 100 feet wide on the No.4 level, more than 150 feet wide on the No. 3 level, and at least 150 feet wide on the No. 2 and No. 1 levels.

Galena and free gold were panned from ore fragments collected from the dump near the Glory hole. Panning failed to find galena from sulfide concentrates collected at the mill or from selected specimens in the No. 3 and No. 4 levels.

The applicant states that mill tests on 300 tons of breccia from the No. 2 level averaged 0.33 ounces gold per ton, but that there are no systematic sample data available for the breccia zone. However, he states (page 2 of the application) that chip and channel samples cut in the underground workings have given widely different results, possibly because of the occurrence of free gold.

The underground workings evidently have been carefully sampled. The walls appear to have been sampled at waist level by channel cuts that cross the entire zone of breccia in all the levels. The owner did not submit any assay data with the application and did not offer information regarding results of the sampling that had been done underground.

Several samples were collected in an attempt to determine the gold content of the breccia zone on the various levels (fig. 1). The samples from levels 1 and 2 were pieces randomly picked up from broken rock near track level; the samples from the No. 3 and No. 4 levels were chipped from the walls but cannot be considered true channel samples --they included a higher proportion of the cementing material and pyrite than if a continuous channel had been cut. Assay data from the samples are as follows:

Sample No.	Level	Length of zone sampled	Ounces gold per ton
861 B	3	Selected specimen, pyrite rich.	0.05
862 B	3	16 feet, southwest wall central part of zone.	Tr.
863 B	3	20 feet, southwest wall, starting at face.	Tr.
864 B	4	Chips from both wall entire thickness of zone-100 feet.	0.02
865 B	2	Stoped area, pieces from near track level.	0.02
866 B	2	NW end of stoped area, from near track level.	0.08
867 B	1	NW end of level, below Glory Hole, pieces from old powder box.	0.50
868 B	Mill concentrates--sulfide rich, no galena.		2.34

The assay data indicate that the gold content of the breccia zone is much higher in the No. 1 level than in lower levels. The assays of samples from the 3rd and 4th levels indicate only very small amounts of gold.

The extent of the breccia zone has not been fully established. A fault limits one margin of it on the 2nd level. Only the western margin is exposed in the 3rd level--exposures suggest a possible circular outline. Two margins are exposed in the 4th level, but there is no hint as to the shape of the zone.

The origin of the breccia is not known. Perhaps it is related to the intrusion of nearby igneous bodies and may have resulted in part from a phreatic explosion. The rock within the breccia is shattered and most fragments are very angular; however some fragments are rounded as if by stream action. One gets the impression in examining some exposures that the rock was shattered in place with very little differential movement between pieces and then the shattered mass was invaded by the quartz and carbonate cement. Pyrite might have been introduced at the same time or later than the cement. The relative age of the galena and free gold has not been determined.

APPLICANT"S PROPOSAL

The applicant proposes to explore for continuity of the breccia zones between the No. 1 level and the No. 4 level. To do this he plans for 120 hours of bulldozer trenching and 3,150 feet of diamond drilling from both the surface and underground stations. He estimates that the total cost of the work is $65,165.00.

APPRAISAL OF PROPOSAL

Exploration to prove extensions of the breccia zones could be justified if the breccia were known to be a significantly well mineralized with gold. There obviously is a large tonnage of breccia on the property but, except for an area near the formerly productive glory hole, the assay data indicate only very low amounts of gold in the breccia.

Unless the applicant can prove that the breccia contains more gold than was found by the OME samples, no favorable consideration should be given to further exploration for extensions of the breccia.

REFERENCE CITED

Moen, W. S., 1969, Mines and mineral deposits of Whatcom County, Washington: Washington Div. Mines and Geology Bull. 57, 134 p.

Willard P. Puffett

Willard P. Puffett

Enclosure: Figure 1--Composite plan, Claim, and index maps, New Light mine, Sec. 27, T. 38 N., R. 17 E., Whatcom County, Washington.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS E ORATION

TO:	DATE	INITIALS
1. Chief, OME		
Re: OME 6819 (Gold)		
2. Western Gold Mining Inc.		
New Light Mine		
3. Whatcom County, Washington		
4.		
5. Willard P. Puffett		WPP
FROM: Field Officer, Region I	7/9/70	

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: Attached are copies of assay data and a short report describing some diamond drilling at the subject property.

OFFICIAL COPY O. M. E. RECEIVED JUL 13 1970

INITIALS	CODE
	1201
	120

INT.-DUP. SEC., WASH., D.C. M56300-62

RECEIVED
JUL 9 1970
O. M. E.
SPOKANE, WASH.

EXPLORATORY DRILLING

Western Gold Mining Inc.
September 1959

A diamond drilling program was initiated early in August 1959, in an attempt to add to the ore reserves in the upper workings of the Slate Creek Mine.

The downward extension of the main ore body is truncated on a strong east-west striking fault, dipping north about 50°. This terminating fault consists of several fractures with in a zone some 2' to 6' wide. Some pods of ore occur between faults within the main sheer zone but nothing substantial has ever been located completely in the footwall of this fault.

In studying this fracture and its effect on the ore body, it became apparent that reverse movement along this fault was very possible. Some further evidence also indicated a horizontal component of movement to the east. (See attached sketch). Thus the drilling was laid out to test this theory of a down-dropped footwall with eastward lateral movement.

Drill holes 1, 2, & 3 were put down in the footwall of the fault and encountered no ore. With negative results in these holes it was apparent that displacement along the fault was greater than could be proved from this drill site, considering our original premise still valid.

Concerning the drill holes (4) and (5) we wish to direct your attention to the Assay Report from Metallurgical Laboratory, Seattle, covering the sampling done on the cores from these two holes.

In hole No. 4, at 20 ft. gold ran 2.32 ounces per ton, and silver ran 1.78 ounces per ton, showing a total value of $81.80 per ton.

In hole No. 4, at 30 ft. to 45 ft. the gold showing was 0.18 ounces per ton, valued at $6.30 per ton, with no silver value.

In hole No. 4, at 95 ft. to 110 ft., the gold showing was 0.24 ounces per ton, and silver 0.14 ounces per ton, with total values of $8.52 per ton. From 110 ft. to 146 ft. there was no showing of value.

In hole No. 5, at 15 ft. there was a showing of 0.20 ounces of silver per ton, and no gold showing.

In hole No. 5, at 15 ft. to 25 ft. there was a silver showing of 0.16 ounces per ton, but no gold values, and from 25 ft. to 60 ft. there was no showing of either gold or silver values.

In hole No.5, at 60 ft. to 70 ft. there was a gold showing of 0.18 ounces per ton, and no silver value. From 70 ft. to 75 ft. there was no showing of either gold or silver values, and the over all dollar value per ton for drill hole No. 5 was $6.30.

The Assay Report, which we designate as No. 3, is next presented.

Prior to moving the drill to site #II a couple of check holes were drilled further back from the fault. Hole No. 5 was in ore until it reached the fault, then encountered no further mineralization. Hole No. 4, on the other hand was quite revealing. It was drilled east at minus 68° and encountered the fault at about 30 ft. It further encountered good breccia ore from 108' to 109' then drilling waste to 146' where it was stopped. This interesting intersection would tend to prove the original idea of fault displacement, however, further drilling is of course necessary to definitely locate the major portion of the ore zone.

Unfortunately it was necessary to pull the drill out for the season before the program could be carried to completion.

It is strongly recommended that next seasons drilling commence with a hole drilled north on a minus 65° to 70° angle at site No. II, near the raise 75' east of drill hole No. 1.

Again, if the interpretation of the geology is as shown on the sketch, then this proposed hole could intersect the main ore body within 150 to 200 feet; thus furnishing a target for further drilling from the No. 3 level.

Respectfully submitted,

C. R. Bellows, Geologist

Attachment

ATWATER 2-4666

METALLURGICAL LABORATORY

WILLIS H. OTT

ASSAYERS
Umpire and Smelter Control

METALLURGISTS
1518 WESTLAKE AVENUE NORTH
SEATTLE 9, WASHINGTON

CHEMISTS
Chemical Testing

No. 8518

CERTIFICATE OF ANALYSIS

Date Sept. 4, 1959

Submitted by Western Gold Mines.

RECEIVED
JUL 9 1970
O. M. E.
SPOKANE, WASH.

Sample No.	GOLD oz/ton	SILVER Oz/ton
Hole #2, 0-16 ft	nil	NIL
16-27 ft	nil	nil
27-40 ft	trace	0.10
40-50 ft	trace	nil
50-60 ft	nil	nil
" "	nil	nil
80-100 ft	nil	nil
Hole No. 4		
0-20 ft	2.32	1.78
30-45 ft	0.18	nil
95-110 ft	0.24	0.14
110-117 ft	nil	nil
110-130 ft	nil	nil
117-130 ft	nil	nil
130-146 ft	nil	nil
Hole #3 0-15 ft	nil	0.20
15-25 ft	nil	0.16
25-40 ft	nil	nil
40-50 ft	nil	nil
50-60 ft	nil	nil
60-70 ft	0.18	nil
70-75 ff	nil	nil

The last four samples we have listed under hole No. 2 had no hole number in them but they seemed to fint in underhole No. 2. The one between 50 adn 80 ff was so badly obliterated we could make no numbers out at all.

METALLURGICAL LABORATORY.

RECEIVED
JUL 9 1970
O.M.E.
SPOKANE, WASH.

1948
Dailey

LAMBERT-McKAMEY LABORATORIES

INDUSTRIAL AND COMMERCIAL CHEMISTS

3232 THIRD AVENUE - SEATTLE 1, WASH.
PHONE SENECA 2234

ASSAYERS METALLURGISTS

CERTIFICATE NO. 2222

CERTIFICATE OF ASSAY October 5, 1948

WE HEREBY CERTIFY THAT WE HAVE ASSAYED THE SAMPLES SUBMITTED TO US BY

Slate Creek Mining Co.
145 Horton Street
Seattle, Washington

AND THAT THEY CONTAINED THE FOLLOWING PER TON OF 2,000 POUNDS:

SAMPLE MARKED	GOLD		SILVER						TOTAL VALUE PER TON
	OZ. TROY PER TON	VALUE PER TON	OZ. TROY PER TON	VALUE PER TON	PER CENT	VALUE PER TON	PER CENT	VALUE PER TON	
		$		$		$		$	$
Hole #1 20ft. Diamond Drill Core Mineralized Vein. 4 Samples.									
1st 5 ft. - - -	0.08	$2.80	0.66	$0.50	- - -	- - -	- - -	- - -	$3.30
2nd 5 ft. - - -	0.04	1.40	0.16	0.12	- - -	- - -	- - -	- - -	1.52
3rd 5 ft. - - -	0.20	7.00	Trace	- - -	- - -	- - -	- - -	- - -	7.00
4th 5 ft. - - -	0.06	2.10	0.56	0.42	- - -	- - -	- - -	- - -	2.52

VALUATION

GOLD $35.00 PER OZ.
SILVER .75 CTS. PER OZ.
LEAD CTS. PER LB.
COPPER CTS. PER LB.

LAMBERT-McKAMEY LABORATORIES

BY Robert B. Lambert

1948 Aulby

RECEIVED JUL 9 1970

LAMBERT-McKAMEY LABORATORIES

INDUSTRIAL AND COMMERCIAL CHEMISTS

2232 THIRD AVENUE - SEATTLE 1, WASH.

PHONE SENECA 2324

ASSAYERS METALLURGISTS

CERTIFICATE NO. 2222

CERTIFICATE OF ASSAY

October 5, 1948

WE HEREBY CERTIFY THAT WE HAVE ASSAYED THE SAMPLES SUBMITTED TO US BY

Slate Creek Mining Co.
145 Horton Street
Seattle, Washington

AND THAT THEY CONTAINED THE FOLLOWING PER TON OF 2,000 POUNDS:

SAMPLE MARKED	GOLD OZ. TROY PER TON	GOLD VALUE PER TON	SILVER OZ. TROY PER TON	SILVER VALUE PER TON	PER CENT	VALUE PER TON	PER CENT	VALUE PER TON	TOTAL VALUE PER TON
Hole #2 100ft. Diamond Drill Core Mineralized Vein. 6 Samples.		$		$		$		$	$
1st 5 ft. - - -	0.06	$2.10	Trace	- - - -	- - - -	- - - -	- - - -	- - - -	$2.10
2nd 5 ft. - - -	0.12	4.20	Trace	- - - -	- - - -	- - - -	- - - -	- - - -	4.20
3rd 5 ft. - - -	0.04	1.40	Trace	- - - -	- - - -	- - - -	- - - -	- - - -	1.40
4th 5 ft. - - -	0.06	2.10	0.14	0.11	- - - -	- - - -	- - - -	- - - -	2.21
5th 5 ft. - - -	0.02	0.70	Trace	- - - -	- - - -	- - - -	- - - -	- - - -	0.70
6th 5 ft. - - -	0.02	0.70	Trace	- - - -	- - - -	- - - -	- - - -	- - - -	0.70

VALUATION

[illegible] OZ. LEAD CTS. PER LB.

[illegible] OZ. COPPER CTS. PER LB.

LAMBERT-McKAMEY LABORATORIES

BY Robert B. [illegible]

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/11/70		120
6/12	Cae	220
		120M

AIRMAIL

JUN 12 1970

Memorandum

To: Field Officer Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6819 (Gold)
Western Gold Mining, Inc.
New Light Mine
Whatcom County, Washington

The subject application is referred to you for further study, a field examination if warranted when you are in the vicinity of the property on other field work of the program, and recommendations.

You mentioned in your transmittal memorandum to us several deficiencies in the application. These, plus the following questions and comments which we discussed by telephone on June 10, 1970, probably can best be answered by visiting the property and interviewing the Applicant.

Is any information on this property available in the Spokane office files?

Is the property situated in or close to a Wilderness or Primitive Area or near the National Park boundary? If so, could operations proceed nonetheless?

Perhaps a more worthwhile initial approach to exploring this property than the proposed bulldozing and diamond drilling would be a detailed mapping project, especially of the breccia zones in the underground workings. Does a breccia zone extend as a continuous or discontinuous band under all of the mine workings, or are there individual (circular ?) breccia pipes in each of the several workings? Both possibilities are suggested by the contacts shown on the Applicant's plan maps of the mine. Magill, on page 4 of his report accompanying the application, notes the possibility of separate breccia bodies. As you mentioned, some of the proposed drill holes and trenches would be of little value for exploration if these are individual pipes.

We note in Washington Division of Mines and Geology Bulletin No. 57 that diamond drilling and development work was undertaken on four levels in 1948, diamond drilling was under way on the No. 2 level in 1959, and, in 1960, 1500 feet of drilling was completed and four holes showed gold values up to $36.00 per ton. In 1961, Mr. Kramer reported reserves of 200,000 tons averaging $11.55 per ton, but this estimate is not mentioned in the application.

Did the Applicant preserve records of the drilling and development work done in the past? If so, these may show that some of the ground proposed for exploration with OME assistance has already been explored. As you mentioned in our discussion, the objective of some of the workings, particularly of North Portal No. 3 level, was not one of the breccia zones shown on the maps.

The grade of ore appears to have decreased as work progressed downward in the Glory Hole, which suggests enrichment in the oxidized part of the deposit. How thick is the zone of oxidation and are there lower workings below this zone?

Judging from the indeterminate depth of overburden and the steep slope shown in the photograph (Figure 44 in the Washington State Bulletin 57) of the surface above the No. 2 level of the New Light mine, would the proposed bulldozing be effective in exposing the underlying rocks? It may be both difficult and expensive to backfill such trenches as required under OME contracts.

Harold Kirkemo (gla)

Harold Kirkemo

cc: Director's Reading file
Mineral Resources
OME docket
OME Reading file
Mr. Kirkemo

HKirkemo/gla 6-11-70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/11/70		120
		220
		120M

JUN 12 1970

AIRMAIL

Western Gold Mining, Inc.
1101 Joseph Vance Building
Seattle, Washington 98101

Re: OME-6819 (Gold)
Western Gold Mining, Inc.
New Light Mine
Whatcom County, Washington

Gentlemen:

The application for assistance in exploring the subject property has been reviewed by the Washington Office and referred to Mr. Willard P. Puffett, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

The Regional Office will notify you if additional information concerning the application is needed.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading file
Mineral Resources
OME docket
OME Reading file
Mr. Kirkemo
OME Region I

GLAult/a 6-11-70

May 22, 1970

Western Gold Mining Inc.
1101 Joseph Vance Building
Seattle, Washington 98101

Subject: OME-6819

Gentlemen:

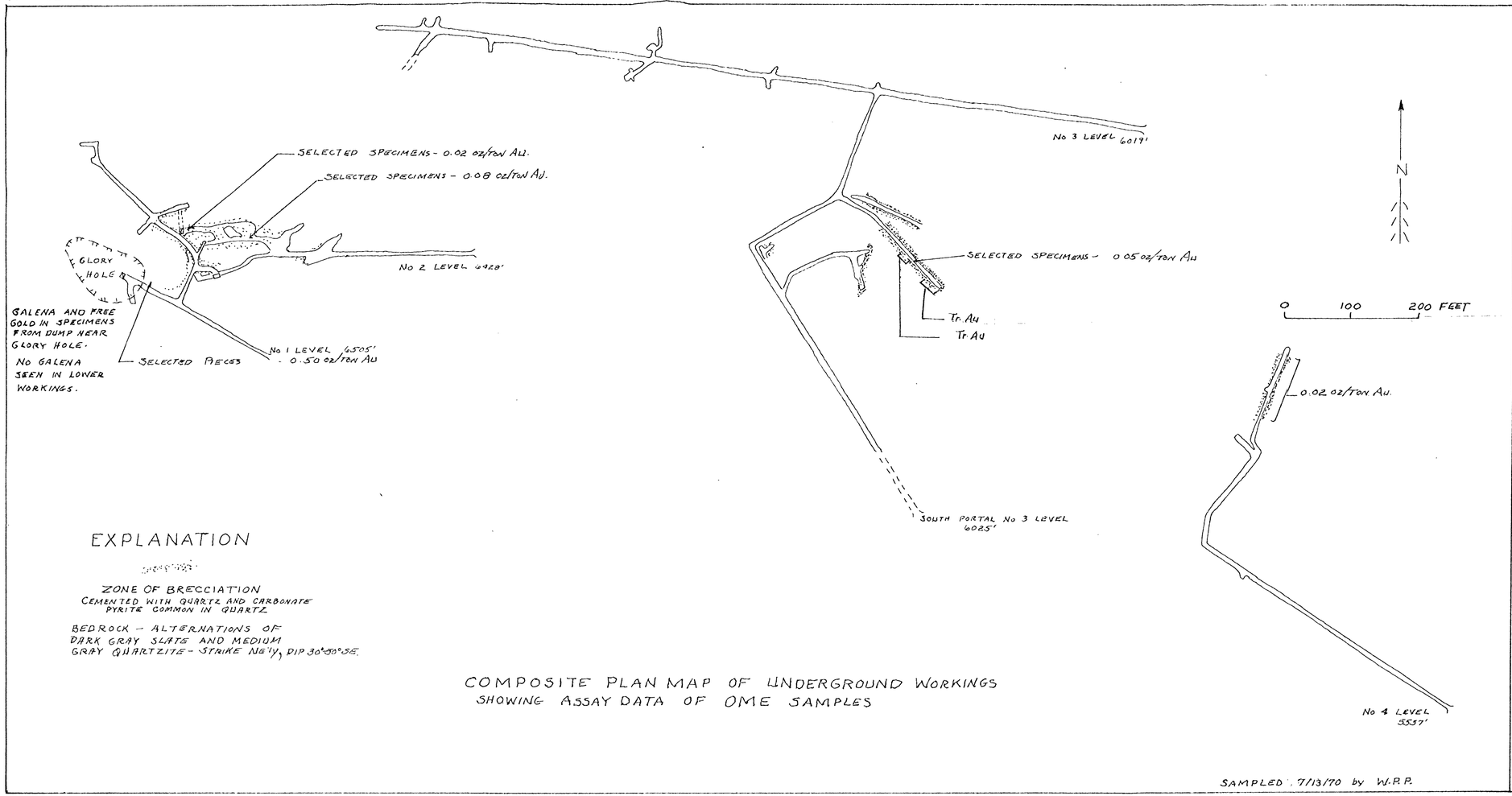
Your application for exploration assistance, dated May 1, 1970, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6819.

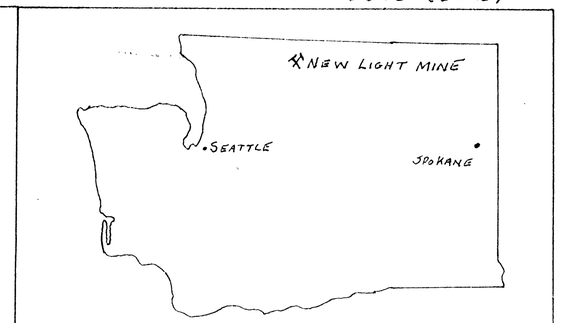
Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

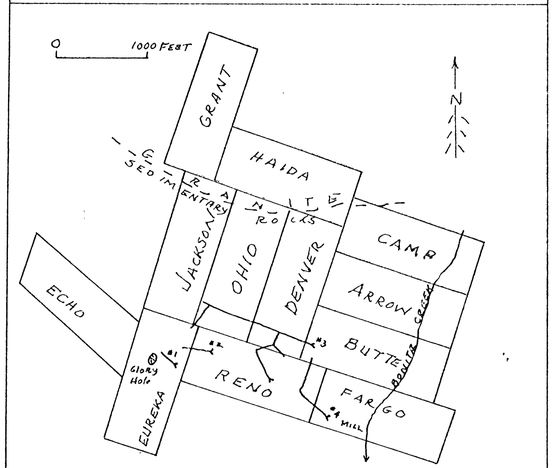
Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region I





INDEX MAP OF WASHINGTON



INDEX TO CLAIMS

FIGURE 1- COMPOSITE PLAN, CLAIM, AND INDEX MAPS, NEW LIGHT MINE, SEC. 27, T.38 N., R.17E., WHATCOM COUNTY, WASHINGTON

NME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Cancelled. Yes [X] No [ ]
Is the Lease and Agreement of November 24, 1964, with the Taylor-Range Company still in full force and effect? If not, please give details. Cancelled. Yes [ ] No [X]

2. Since January 1968, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since January 1968, has any production been transported through [illegible] (including by [illegible])? Yes [ ] No [X]

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

Disposition of Material	Quantity	Value

Submitted by:

Name /S/ Charles P. Lambley Title President

Address 233 Broadway Date 4/20/69
New York, N.Y.

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Enclosed is a copy of a memorandum dated May 13, 1968, from the Field Officer, Region I, concurring in the facts stated in the enclosed copy of the Report of Royalty Review issued in April 1968.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
OME Region I
130

GLAult/a 5-15-68

RECEIVED
MAY 17 1968

GEOLOGICAL SURVEY
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

May 13, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas et al. Claims
Granite County, Montana
Contract 2139

I concur with the facts as stated in a Report of Review on the subject property issued in April 1968.

D. R. MacLaren

cc: GMS
OPP ✓
Director's reading file

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 1967, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒
Is the Lease and Agreement of November 24, 1944, with the Taylor-Knapp Company still in full force and effect? If not, please give details. Yes ☒ No ☐

2. Since March 1967, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since February 1967, has any production been transported through workings (see of contract)? Yes ☐ No ☒
If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name /s/ Charles R. Lambly Title Pres.
Address 233 Broadway NY Date 1/31/68

THE TAYLOR-KNAPP COMPANY
INCORPORATED

MONTANA OPERATIONS

P. O. BOX 250
PHILIPSBURG, MONTANA

June 29, 1967

Mr. D. R. Mac Laren, Acting Field Officer
OME Regin I
Office of Minerals Exploration
U. S. Geological Survey
South 157 Howard Street
Spokane 4, Washington

Ref: Docket OME-6189
(Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., claims
Granite County, Montana
Contract 14-23-090-2139

Dear Mr. MacLaren:

Acting on behalf of Trout Mining Company, as provided in the Lease and Agreement between us, dated November 24, 1964, we herewith enclose in duplicate our Royalty Statement dated May 26, 1967, listing settlements on silver-lead-zinc ore shipped from the Algonquin Mine during the first quarter of 1967, and subject to OME royalty under the referenced contract. Copies of the settlements listed are attached.

Enclosed is our check in the amount of $1,108.76 in settlement of this account through March 31, 1967.

Very truly yours,

THE TAYLOR-KNAPP COMPANY

By: Jack B. McCoy
Jack B. McCoy

JBM;mjc
Encls.
In duplicate
cc: Trout Mining Co., New York
(Attn: Mr. Alphonse Kenison)

RECEIVED
JUL 5 1967
O.M.E.
SPOKANE, WASH.

THE TAYLOR-KNAPP COMPANY
INCORPORATED

MONTANA OPERATIONS

P. O. BOX 250
PHILIPSBURG, MONTANA

April 25, 1967

Mr. D. R. MacLaren, Acting Field Officer
OME Region I
Office of Minerals Exploration
U. S. Geological Survey
South 157 Howard Street
Spokane 4, Washington

Ref: Docket OME-6189
(Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 14-23-090-2139

Dear Mr. MacLaren:

Acting on behalf of Trout Mining Company, as provided in the Lease and Agreement between us, dated November 24, 1964, we herewith enclose in duplicate our Royalty Statement of this date listing settlements on silver-lead-zinc ore shipped from the Algonquin Mine during the months of October, November, and December, 1966 and subject to OME royalty under the referenced contract. Copies of the settlements listed are attached.

Enclosed is our check in the amount of $1,318.21 in settlement of this account through December 31, 1966.

Very truly yours,

THE TAYLOR-KNAPP COMPANY

By: J. B. McCoy
J. B. McCoy

JBM:mjc
Encl. As noted
cc: Trout Mining Co., New York
(Attn: Mr. Alphonse Kenison)

RECEIVED
MAY 16 1967
SPOKANE, WASH.

THE TAYLOR-KNAPP COMPANY
INCORPORATED

MONTANA OPERATIONS

P. O. BOX 250
PHILIPSBURG, MONTANA

January 17, 1967

Mr. D. R. MacLaren, Acting Field Officer
OME Region I
Office of Minerals Exploration
U. S. Geological Survey
South 157 Howard Street
Spokane 4, Washington

Ref: Docket OME-6189
(Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 14-23-090-2139

Dear Mr. MacLaren:

Acting on behalf of Trout Mining Company, as provided in the Lease and Agreement between us, dated November 24, 1964, we herewith enclose in duplicate our Royalty Statement of this date listing settlements on silver-lead-zinc ore shipped from the Algonquin Mine during the period of May through September 1966, and subject to OME royalty under the referenced contract. Photo-copies of the settlements listed are attached in support of the statement.

Attached hereto is our check in the amount of $1,113.82 in settlement of this account as stated through September 30, 1966.

Very truly yours,

THE TAYLOR-KNAPP COMPANY

By: _____
S. R. Knapp

SRK:mjc
Encl., as noted
cc: Trout Mining Co., New York
(Attn: Mr. Alphonse Kenison)

RECEIVED
JAN 19 1967
O.M.E.
SPOKANE, WASH.

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON [illegible]
AND PROJECT UNDER ROYALTY AGREEMENT

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

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

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

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name /S/ Alphonse Kenison Title Secretary
Alphonse Kenison
Address 233 Broadway, New York, N. Y. 10007 Date April 18, 1966

MAR 22 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: DMEA-3076 (Manganese)
American Machine and Metals, Inc.
Mullen Mine
Granite County, Montana
Contract Idm-8591
and
CME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

We have just received one copy of a lengthy Lease and Agreement, dated November 24, 1964, from the Trout Mining Company. Under the lease The Taylor-Knapp Company takes over the properties of the Antoniolis and the Trout Mining Company. The next time you are in Philipsburg, it might be well to stop at The Taylor-Knapp office and look over the maps to which the lease refers and discuss the matter of royalties with regard to the Trout Mining Company property.

Stamped; George C. Selfridge

Enclosures

MME Form 63
Revised 3-62

OME-6189
2139

REQUEST FOR INFORMATION ON CONTRACT
AND PROJECT UNDER ROYALTY AGREEMENT

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

See copy of Lease and Agreement dated November 24, 1964 between this Company, Antonioli and the Taylor-Knapp Co. This was submitted with report Re: DMEA-3076 Mullen Mine Contract idno 7591

2. Since April 1963, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	NONE	Tons		
Concentrates	"	Tons		
Other	"	Tons		

3. Since April 1963, has any production been transported through workings (see Annex I of contract)? Yes [ ] No [X]

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

Disposition of Material	Quantity	Value

Submitted by:

Name /s/ Alphonse Kenison Title Secretary

Address Alphonse Kenison 233 Broadway, N.Y.C. Date March 17, 1965

4511

Region I

UNITED STATES
DEPARTMENT OF THE INTERIOR

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Trout Mining Company
233 Broadway
New York 7, New York

Re: [illegible] (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2130

Gentlemen:

Pursuant to Article 7 of the contract, as amended, referred to above, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract and on all production transported through workings to the cost of which the Government contributed in accordance with the special "Agreement Concerning Royalty" of Annex I of the contract, from January 16, 1962, to January 16, 1973 or until the sum contributed* by the Government is fully repaid with interest, at the rate of 6½ percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

* The sum contributed by the Government amounted to $13,696.15.

The Field Officer should be promptly notified upon the future commencement of any production and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

Dated this 19th day of December, 1963.

THE UNITED STATES OF AMERICA

Stamped: George Fenwick, Jr.

Director, Office of Minerals Exploration

FMMurphy/mm
12/10/63
cc: Director's Reading File
CAAA Division
Fiscal Section
Review Committee
Mr. Johnson
Docket
Code 500
AMETEK, Inc., 233 Broadway, New York 7, N.Y.
Region I

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

DEC 20 1963

AMETEK, Inc.
233 Broadway
New York 7, New York

Re: OMS-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien or Subordination Agreement signed by Mr. C. W. Anderson, president of your company, on January 15, 1962.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Acting Director

Enclosure

FMMurphy/mm/gla
12/19/63
cc: Director's Reading File
Region I
Docket

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

November 29, 1962

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S. 157 Howard Street
Spokane 4, Washington

Re: OME 6189 (Silver-Lead-Zinc)
Pocahontas, et. al. claims
Granite County, Montana

Dear Mr. MacLaren:

Enclosed you will find our check for $881.55 as payment for royalty due OME for ore milled during July and August.

Very truly yours,

T. B. Tierney

T. B. Tierney
Assistant Treasurer

TBT:lo
Encl:

RECEIVED
NOV 30 1962
U S G. S.
SPOKANE, WASH.

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

September 27, 1962

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S 157 Howard Street
Spokane 4, Washington

Re: OME 6189 (Silver-Lead-Zinc)
Pocahontas, et. al. claims
Granite County, Montana

Dear Mr. MacLaren:

Enclosed you will find our check for $396.73, representing royalty due OME for ore milled during the months of May and June.

The ore from the 1000 west drift was milled with other Trout ore and the concentrates were also mixed. The method of royalty calculation was set forth in our letter of 6/5/62 and agreed to in your letter of 6/8/62.

Please advise us if there are any questions concerning this matter.

Very truly yours,

TROUT MINING COMPANY

T. B. Tierney

T. B. Tierney
Assistant Treasurer

TBT:AWH
encl:

RECEIVED
OCT 1 1962
U.S.G.S.
SPOKANE, WASH.

Chief, Branch of Budget & Finance

D. H. MacLaren
Field Officer, OME
Region I

Date	Amount	Bank, City and State	Name of Payer	Lease No.	Purpose
6/29/67	$1,108.76	Flint Creek Valley Bank Philipsburg, Mont.	The Taylor-Knapp Co., Inc. (Trout Mining Co. Pocahontas, et al., Claims)	OMS-6189 2139	Royalty

Remarks: List smelter or mill lot numbers covered by a payment:

Shipments to Bunker Hill:
January 1967 - ZK-65(A) February 1967 - 76(A)
- TK-67(A)
- ZK-69(A)
February 1967 - TK-75(A)
TK-75(A)

7/ 9/67
Date Reported

ATTACHMENTS REC'D 7/5/67 (DATE)
BY M.L.S.
ROYALTY PAID TO DATE $5,085.07

M. L. Smelser
Person Reporting Payment

Date Received

Person Receiving Payment

May 26, 1967

The Taylor-Knapp Company
Philipsburg, Montana

on behalf of

Trout Mining Company
233 Broadway
New York, New York

Ref: Docket OME-6189
(Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et. al., Claims
Granite County, Montana
Contract 14-23-090-2139

ROYALTY STATEMENT
Summary of Settlements on Silver-Lead-Zinc Ore
Shipped from Algonquin Mine, Belle Claim
Period - 1st Quarter, 1967

Month of Shipment	Purchaser	Lot No.	Settlement Date	Short Dry Tons	Net Smelter Value	Royalty (5%)
January	Bunker Hill Co.	TK-63(A)	1/30/67	146.62	$3,330.49	$ 166.52
	Bunker Hill Co.	TK-67(A)	2/9/67	224.37	3,183.00	159.15
	Bunker Hill Co.	TK-69(A)	2/17/67	223.31	3,853.56	192.68
February	Bunker Hill Co.	TK-74(A)	3/2/67	228.52	5,295.74	264.79
	Bunker Hill Co.	TK-75(A)	3/1/67	71.43	1,821.40	91.07
	Bunker Hill Co.	TK-76(A)	3/13/67	228.11	4,690.91	234.55
March	No Shipments					

Royalty Due for Period - $1,108.76

RECEIVED
JUL 5 1967

THE BUNKER HILL [illegible]

CUSTOM MILLING SE[illegible]

Shipper [illegible] Lot # [illegible]

Date of Sampling [illegible] 1967 Date of Settlement [illegible] 13, 1967

QUOTATIONS:

Lead [illegible]
Silver [illegible]
Zinc [illegible]

Total Wet Weight [illegible] Wet Tons
% Moisture [illegible]
Total Dry Weight [illegible] Dry Tons

ASSAYS

Lead	[illegible]	%	Zinc	[illegible]	%
Oxide Lead	[illegible]	%	Oxide Zinc	[illegible]	%
Silver	.94	Oz/Ton	Iron	1.30	%
			Insol	32.03	%

PAYMENTS

Lead:
2,000 lbs. x [illegible] % @ 90% x ([illegible] - 3.70¢) = $ 1.91

Silver:
1 ton x ([illegible] oz. Ag. - 1 oz.) @ 85% x ($ [illegible]) = 8.70

Zinc:
2,000 lbs. x [illegible] % @ 80% x (5.5¢ over 9¢ base x 0.34¢ 5.20¢) = 10.21
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 20.82

223.31 Dry Tons @ $ 20.82 Total Value $ 4,649.33

223.31 Dry Tons Milled @ 3.00 $ 669.93

Freight ~~Extra~~ Charge 1,212.37

Freight Credit @ ~~Extra Charge~~ (1,116.55)
$5.00/dry ton

Total Deductions $ 765.75

TOTAL NET VALUE FOR THIS LOT $ 3,953.56

Prepared By [signature]

Checked By [signature]

Approved for Payment [signature]

cc: Shipper (3)
R. L. Haffner
N. J. Sather

THE BUNKER [illegible]

CUSTOM MILLING SETTLEMENT

Shipper [illegible] Lot # [illegible]

Date of Sampling [illegible] Date of Settlement [illegible] 26, 1967

QUOTATION

Lead [illegible]
Silver [illegible]
Zinc [illegible]

Total Wet Weight [illegible] Wet Tons
% Moisture
Total Dry Weight [illegible] Dry Tons

ASSAYS

Lead	[illegible]	%	[illegible]	%
Oxide Lead	[illegible]	%	[illegible]	%
Silver	[illegible]	Oz/Ton	[illegible]	%
			[illegible]	%

PAYMENT

Lead
2,000 lbs. x [illegible] % @ 90% x [illegible] - 3.2[illegible] = $ [illegible].72

Silver:
1 ton x ([illegible] oz. Ag. - 1 oz.) @ 85% x ($ [illegible] = 12.27

Zinc:
2,000 lbs. x [illegible] % @ 80% x ([illegible] 9¢ base over 9¢ [illegible] 20¢) = 12.31
(No payment 1.50% Zinc or Less)

VALUE PER TON BEFORE MILLING OTHER CHARGES $ 26.33

116.62 Dry Tons @ $ 26.[illegible] Total Value $ 3,0[illegible]0.50

116.[illegible] Dry Tons Milled @ [illegible] $ [illegible]

Freight [illegible] Empire [illegible]

Freight Charges $ 5.[illegible] Other Charges [illegible]

[illegible] $ 530.01

TOTAL NET [illegible] LOT $ 3,330.19

Prepared By [illegible]

Checked By [illegible]

Approved for Payment [illegible]

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper _____ Lot # _____

Date of Sampling _____ Date of Settlement February 6, 1967

QUOTATIONS

Lead _____
Silver _____
Zinc _____

Total Wet Weight _____ Wet Tons
% Moisture _____
Total Dry Weight _____ Dry Tons

ASSAYS

Lead	[illegible]	%	Zinc	[illegible]	%
Oxide Lead	[illegible]	%	Oxide Zinc	[illegible]	%
Silver	[illegible]	Oz/Ton	[illegible]	[illegible]	%
			[illegible]	[illegible]	%

PAYMENTS

Lead:
2,000 lbs. x [illegible] @ 90% x ([illegible] - 3.[illegible]) = $ [illegible]

Silver:
1 ton x ([illegible] oz. Ag. - 1 oz.) @ 85% x ($ [illegible]) = 7.72

Zinc:
2,000 lbs. x [illegible] % @ 80% x ([illegible] 9¢ base over 9¢ [illegible] 5.20¢) = 8.13
(No payment 1.50% Zinc or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ [illegible]

221.37 Dry Tons @ $ [illegible] Total Value $ 3,[illegible].30

221.37 Dry Tons Milled @ [illegible] $ [illegible]

Freight Freight Charge [illegible]

Freight Credit @ 85.[illegible] Other Charges [illegible]

Total Deductions $ 206.30

TOTAL NET VALUE FOR THIS LOT $ 3,283.00

Prepared By [signature]

Checked By [signature]

Approved for Payment N. J. Sather

cc: Shipper ( )
R. L. Haffner
N. J. Sather
F. L. [illegible]

THE [illegible] MINE

[illegible]

[illegible]

[illegible]

[illegible] Tons

[illegible] Per Ton

ASSAY

[illegible]	%	[illegible]	%
[illegible]	%	[illegible]	%
[illegible]	Oz/Ton	[illegible]	%
		[illegible]	%

PAYMENTS

[illegible]	= $ 2.35
[illegible]	= 11.29
[illegible]	= 13.20
[illegible] PER TON [illegible]	[illegible] $ 26.84
[illegible] $ [illegible]	[illegible] Value $ 6,133.18
[illegible]	
[illegible]	
[illegible]	
[illegible]	$ 837.74
TOTAL NET [illegible]	$ 5,295.74

[illegible]

Approved for Payment

[illegible]

THE BUNKER HILL [illegible]

[illegible] MILLING [illegible]

[illegible]

[illegible]

Total Wet Weight [illegible] Wet Tons
% Moisture
Total Dry Weight [illegible] Dry Tons

ASSAYS

Lead	[illegible]	%	Zinc	[illegible]	%
Silver Lead	[illegible]	%	Oxide Zinc	[illegible]	%
[illegible]	[illegible]	Oz/Ton	[illegible]	[illegible]	%
			[illegible]	[illegible]	%

PAYMENTS

[illegible] $ [illegible]

[illegible] [illegible] = [illegible]

[illegible] 90 [illegible] [illegible] = [illegible]

VALUE PER TON BEFORE [illegible] OTHER CHARGES $ [illegible]

[illegible] Dry Tons $ 20.00 Total Value $ 2,077.50

[illegible] Dry Tons Milled @ [illegible] $ [illegible]

[illegible] Smelter Charges [illegible]

[illegible] Other Charges [illegible]

Total Deductions $ 256.50

TOTAL NET VALUE FOR THIS LOT $ 1,821.10

Prepared By [illegible]

Checked By [illegible]

Approved for Payment [illegible]

cc: Shipper [illegible]
R. [illegible]

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper [illegible] (150-0[illegible])

Lot # TK-76 (A)

Date of [illegible]

Date of Settlement March 9, 1967

Total Wet Weight [illegible] Wet Tons

% Moisture [illegible]

Total Dry Weight [illegible] Dry Tons

ASSAYS

Lead	1.30	%	Zinc	[illegible]	%
[illegible]	[illegible]	%	Oxide Zinc	[illegible].20	%
[illegible]	[illegible]	Oz/Ton	[illegible]	[illegible]	%
			Insol	3[illegible].18	%

PAYMENTS

[illegible] - 3.[illegible] = $ [illegible].34

[illegible] x (S[illegible]) = 10.96

9¢ Base .20¢

[illegible] Over [illegible]) = 10.88

[illegible] PER TON BE[illegible] [illegible] OTHER CHARGES $ 24.18

[illegible] Total Value $ 5,515.70

Dry Ton Milled [illegible] $ [illegible]

Smelter Charge [illegible]

Other Charges [illegible]

Total Deductions $ 824.79

TOTAL NET VALUE FOR THIS LOT $ 4,690.91

[illegible]

Approved [illegible]

[illegible] 1631.68

Chief, Branch of Budget & Finance

D. R. MacLaren
Field Officer, OME
Region I

5/15/67	$1,318.21	Flint Creek Valley Bank Philipsburg, Mont.	The Taylor-Knapp Co., Inc. (Trout Mining Co. Pocahontas, et al., Claims)	OME-6189 2139	Royalty

Shipments to Bunker Hill:
October 1966 - TK-46(A)
Nov. 1966 - TK-50(A)
Dec. 1966 - TK-56(A)
- TK-57(A)
- TK-60(A)

TK-61(A)

Shipments to Anaconda Sampler:
October 1966 - TK-20-228
Dec. 1966 - TK-20-235

5/16/67
Date Received

ATTACHMENTS REC'D 5/16/67 (DATE)
BY M.L.S.
ROYALTY PMTS TO DATE $3,976.31

M. L. Smelser
Person Receiving & Initiated

Date Acknowledged

Person Receiving & Initiated

The Taylor-Knapp Company
Philipsburg, Montana

April 25, 1967

on behalf of

Trout Mining Company
233 Broadway
New York, N. Y.

Ref: Docket OME-6189
(Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 14-23-090-2139

ROYALTY STATEMENT
Summary of Settlements on Silver-Lead-Zinc Ore
Shipped from Algonquin Mine, Belle Claim
Period - 4th Quarter, 1966

Month of Shipment	Purchaser	Lot No.	Settlement Date	Short Dry Tons	Net Smelter Value	Royalty (5%)
October	Bunker Hill Co.	TK-46(A)	11/10/66	77.68	$2,510.22	$125.51
	Anaconda Co.	TK-ZO-228	10/18/66	628.00	6,351.14	317.56
November	Bunker Hill Co.	TK-50(A)	12/1/66	77.11	2,222.30	111.12
December	Bunker Hill Co.	TK-56(A)	12/27/66	78.09	2,415.31	120.77
	" " "	TK-57(A)	1/10/67	77.15	2,509.37	125.47
	" " "	TK-60(A)	1/18/67	236.69	4,948.18	247.41
	" " "	TK-61(A)	1/26/67	151.34	3,424.68	171.23
	Anaconda Co.	TK-ZO-235	1/16/67	225.09	1,982.78	99.14

Royalty Due for Period - $1,318.21

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK-46 (A)

Date of Sampling November 2, 1966 Date of Settlement November 7, 1966

QUOTATIONS:

Lead	.1400	Total Wet Weight	80.54	Wet Tons
Silver	1.2890	% Moisture	3.55	
Zinc	.1450	Total Dry Weight	77.68	Dry Tons

ASSAYS

Lead	1.50	%	Zinc	15.30	%
Oxide Lead	0.00	%	Oxide Zinc	0.19	%
Silver	14.75	Oz/Ton	Iron	1.50	%
			Insol	41.30	%

306

PAYMENTS

Lead:
2,000 lbs. x 1.50 % @ 90% x (14.00 - 3.70¢) = $ 2.78

Silver:
1 ton x (14.75 oz. Ag. - 1 oz.) @ 85% x ($ 1.289) = 15.07

Zinc: 9¢ base 5.20¢
2,000 lbs. x 15.11 % @ 80% x (5.5¢ over 9¢ @ 0.34¢ 1.87¢) = 17.96
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 35.81

77.68 Dry Tons @ $ 35.81 Total Value $ 2,781.72

77.68 Dry Tons Milled @ $ 3.00 $ 233.04

Freight ~~XXXXX~~ Charge 426.86

Freight Credit @ $5.00/Dry Ton ~~Other Charges~~ (388.40)

Total Deductions $ 271.50

TOTAL NET VALUE FOR THIS LOT $ 2,510.22

Prepared By [signature]

Checked By [signature]

S: 1064
SDT = $32.31

Approved for Payment [signature]

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

F. 6[illegible]—3-62—500—Standard.

MC-SRK 10/18/66 UK

THE ANACONDA COMPANY, ANACONDA SAMPLER

RECEIVED FROM Taylor-Knapp Company, c/o Don Johnson

ADDRESS Box 250, Philipsburg, Montana

MINE Algonquin Zinc Ore

ANACONDA, MONTANA

October 12, 1966

SAMPLER LOT [redacted]

ASSAYS	OZS. SILVER	OZS. GOLD	PER CENT ZINC	PER CENT LEAD	PER CENT COPPER	PER CENT INSOLUBLE	PER CENT IRON	TREATMENT CHARGE	PRICE PER TON	VALUE	DRAFT
Sampler								$	$	$	
Shipper											
Umpire											
Settlement	5.07	.031	6.50	1.2	.20	57.2	1.6	3.00	12.42	7,799.78	

Ray Sunstill, Haul @ $ 2.25 per ton 1,448.64

$ 6,351.14

Ox Zn = .46%
Ox Pb = .22%

COPY

PAYMENT FOR METALS

Zinc—less 1 % @ 80% of remainder @ 7.975 ¢
Silver— 75 % @ 128.900¢
Gold— 200 % @ $ 21.957
Lead— 75 % [redacted] @15.000¢ less 2c
Copper— less .15% @ 50% @ 38.094¢ less 6¢

TREATMENT CHARGES

	CR.	DR.
Base—		3.00
Zinc Assay		
Zinc Price		
Insoluble and Iron		
Labor Var.		
Lead		
TOTAL $		3.00
NET TREATMENT CHARGE		

SHIPPER'S LOT NO.	CAR NUMBER	WEIGHTS LBS. GROSS	% MOISTURE	LBS. DRY	DATE OF RECEIPT	DATE OF QUOTATIONS
	13 RAP Cars				9/30/66	E. & M. J. Average for Week Ending 9/23/66
	TOTAL	1,237,680	2.46	1,256,000	RAILROAD VALUE	

629.0015

The Anaconda Company, Anaconda Sampler

By [signature] [redacted]

X

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK-50 (A)

Date of Sampling November 16, 1966 Date of Settlement November 21, 1966

QUOTATIONS:

Lead	.1400
Silver	1.2890
Zinc	.1450

Total Wet Weight	80.96	Wet Tons
% Moisture	4.76	
Total Dry Weight	77.11	Dry Tons

ASSAYS

Lead	1.30	%	Zinc	12.80	%
Oxide Lead	0.05	%	Oxide Zinc	0.18	%
Silver	14.67	Oz/Ton	Iron	1.40	%
			Insol	39.85	%

PAYMENTS

Lead:
2,000 lbs. x 1.25 % @ 90% x (14.00 - 3.70¢) = $ 2.32

Silver:
1 ton x (14.67 oz. Ag. - 1 oz.) @ 85% x ($ 1.289) = 14.98

Zinc:
2,000 lbs. x 12.62 % @ 80% x (9¢ base 5.5¢ over 9¢ @ 0.34¢ 5.20¢ 1.87¢) = 15.00
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 32.30

77.11 Dry Tons @ $ 32.30 Total Value $ 2,490.65

77.11 Dry Tons Milled @ $ 3.00 $ 231.33

Freight ~~XXXXXX~~ Charge 422.57

Freight Credit @ ~~XXXXXXXXXXXX~~ (385.55)
$ 5.00/Dry Ton

Total Deductions $ 268.35

TOTAL NET VALUE FOR THIS LOT $ 2,222.30

Prepared By [signature]

Checked By [signature]

28.82/SDT

Approved for Payment

[signature]

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

X

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper Taylor-Knapp Co. (7031-05) Lot # TK-56 (A)

Date of Sampling December 13, 1966 Date of Settlement December 20, 1966

QUOTATIONS:

Lead	.14000	Total Wet Weight	83.24	Wet Tons
Silver	1.28900	% Moisture	6.19	
Zinc	.14500	Total Dry Weight	78.09	Dry Tons

ASSAYS

Lead	1.53	%	Zinc	13.80	%
Oxide Lead	0.06	%	Oxide Zinc	0.20	%
Silver	15.10	Oz/Ton	Iron	1.70	%
			Insol	42.08	%

PAYMENTS

Lead:
2,000 lbs. x 1.47 % @ 90% x (14.000 - 3.70¢) = $ 2.73

Silver:
1 ton x (15.10 oz. Ag. - 1 oz.) @ 85% x ($ 1.2890) = 15.45

Zinc:
2,000 lbs. x 13.60 % @ 80% x (9¢ base 5.20¢ 5.5¢ over 9¢ @ 0.34¢ 1.87¢) = 16.17
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 34.35

78.09 Dry Tons @ $ 34.35 Total Value $ 2,682.39

78.09 Dry Tons Milled @ $ 3.00 $ 234.27

Freight ~~Umpire~~ Charge 423.26

Freight Credit @ $5.00/dry ton ~~Other Charges~~ (390.45)

Total Deductions $ 267.08

TOTAL NET VALUE FOR THIS LOT $ 2,415.31

Prepared By [signature]

Checked By [signature]

3093 SDT

Approved for Payment [signature]

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper Taylor-Knapp Co. (7031-05) Lot # TK-57 (A)

Date of Sampling December 24, 1966 Date of Settlement January 6, 1967

QUOTATIONS:

Lead	.1400	Total Wet Weight	80.12	Wet Tons
Silver	1.2890	% Moisture	3.71	
Zinc	.1450	Total Dry Weight	77.15	Dry Tons

ASSAYS

Lead	1.41	%	Zinc	14.60	%
Oxide Lead	0.00	%	Oxide Zinc	0.50	%
Silver	16.21	Oz/Ton	Iron	1.40	%
			Insol	40.56	%

PAYMENTS

Lead:
2,000 lbs. x 1.41 % @ 90% x (14.00 - 3.70¢) = $ 2.61

Silver:
1 ton x (16.21 oz. Ag. - 1 oz.) @ 85% x ($ 1.289) = 16.66

Zinc: 9¢ base 5.20¢
2,000 lbs. x 14.10 % @ 80% x (5.5¢ over 9¢ @ 0.34¢ 1.87¢) = 16.76
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 36.03

77.15 Dry Tons @ $ 36.03 Total Value $ 2,779.71

77.15 Dry Tons Milled @ $ 3.00 $ 231.45

Freight Charge 424.64

Freight Credit @ $5.00/dry ton Other Charges (385.75)

Total Deductions $ 270.34

TOTAL NET VALUE FOR THIS LOT $ 2,509.37

Prepared By [signature]

Checked By [signature]

$32.53/SDT

Approved for Payment N J Sather

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

Source 1064

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper Taylor-Knapp Co. (7450-05) Lot # TK-60 (A)

Date of Sampling January 9, 1967 Date of Settlement January 16, 1967

QUOTATIONS:

Lead	.1400	Total Wet Weight	249.83	Wet Tons
Silver	1.2890	% Moisture	5.2588	
Zinc	.1450	Total Dry Weight	236.69	Dry Tons

ASSAYS

Lead	1.47	%	Zinc	9.30	%
Oxide Lead	0.00	%	Oxide Zinc	0.21	%
Silver	11.00	Oz/Ton	Iron	1.80	%
			Insol	34.55	%

PAYMENTS

Lead:
2,000 lbs. x 1.47 % @ 90% x (14.00 - 3.70¢) = $ 2.73

Silver:
1 ton x (11.00 oz. Ag. - 1 oz.) @ 85% x ($ 1.289) = 10.96

Zinc:
2,000 lbs. x 9.09 % @ 80% x (9¢ base 5.5¢ over 9¢ @ 0.34¢ 5.20¢ 1.87¢) = 10.81
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 24.50

236.69 Dry Tons @ $ 24.50 Total Value $ 5,798.91

236.69 Dry Tons Milled @ $ 3.00 $ 710.07

Freight ~~Mill~~ Charge 1,324.11

Freight Credit @ $5.00/dry ton ~~Other Charges~~ (1,183.45)

Total Deductions $ 850.73

TOTAL NET VALUE FOR THIS LOT $ 4,948.18

Prepared By [signature]

Checked By [signature]

Approved for Payment [signature]

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper Taylor-Knapp Co. (7450-05)

Lot # TK-61 (A)

Date of Sampling January 11, 1967

Date of Settlement January 19, 1967

QUOTATIONS:

Lead	.1400
Silver	1.2890
Zinc	.1450

Total Wet Weight	158.79	Wet Tons
% Moisture	4.6892	
Total Dry Weight	151.34	Dry Tons

ASSAYS

Lead	1.22	%	Zinc	9.70	%
Oxide Lead	-0-	%	Oxide Zinc	0.18	%
Silver	12.52	Oz/Ton	Iron	1.60	%
			Insol	32.18	%

PAYMENTS

Lead:
2,000 lbs. x 1.22 % @ 90% x (14.00 - 3.70¢) = $ 2.26

Silver:
1 ton x (12.52 oz. Ag. - 1 oz.) @ 85% x ($ 1.2890) = 12.62

Zinc:
2,000 lbs. x 9.52 % @ 80% x (9¢ base 5.5¢ over 9¢ @ 0.34¢ 5.20¢ 1.87¢) = 11.31
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 26.19

151.34 Dry Tons @ $ 26.19 Total Value $ 3,963.59

151.34 Dry Tons Milled @ $ 3.00 $ 454.02

Freight ~~Empty~~ Charge 841.59

Freight Credit @ $5.00 ~~Other Charges~~ (756.70)
dry ton

Total Deductions $ 538.91

TOTAL NET VALUE FOR THIS LOT $ 3,424.68

Prepared By [signature]

Checked By [signature]

Approved for Payment
N J Arthur

cc: Shipper (3)✓
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

F. 600—3-63—500—Standard.

MC-SRK

THE ANACONDA COMPANY, ANACONDA SAMPLER

RECEIVED FROM Taylor-Knapp Company
ADDRESS c/o Don Johnson
Box 250 - Philipsburg, Montana
MINE Algonquin Zinc Ore

ANACONDA, MONTANA
January 10, 1967

SAMPLER LOT TK-20-235

ASSAYS	OZS. SILVER	OZS. GOLD	PER CENT ZINC	PER CENT LEAD	PER CENT COPPER	PER CENT INSOLUBLE	PER CENT IRON	TREATMENT CHARGE	PRICE PER TON	VALUE	DRAFT
Sampler								$	$	$	
Shipper											
Umpire											
Settlement	7.29	.010	5.38	.60	.21	29.4	1.6	3.00	11.12	$ 2,502.96	

Fay Tunstill, Haul @ $.2.25 per ton

520.18

$ 1,982.78

OX Zn - .11
Ox Fe - .45

COPY

PAYMENT FOR METALS

Zinc— less 1 % @80% of remainder @ 7.975¢
Silver— 75% % @128.900¢
Gold— 100 % @ $ 21.957
Lead— 75 % @ 14.000¢ less 2c
Copper— less .1% @ 50% @ 36.262¢ less 6¢

TREATMENT CHARGES

	CR.	DR.
Base—		3.00
Zinc Assay		
Zinc Price		
Insoluble and Iron		
Labor Var.		
Lead		
TOTAL $		3.00

NET TREATMENT CHARGE

SHIPPER'S LOT NO.	CAR NUMBER	WEIGHTS: LBS. GROSS	% MOISTURE	LBS. DRY	DATE OF RECEIPT	DATE OF QUOTATIONS
	4 MP Cars				12/21/66	E. & M. J. Average for Week Ending 12/16/66
	TOTAL	462,300	2.44	450,172	RAILROAD VALUE	

225.0965

The Anaconda Company, Anaconda Sampler

By E. R. Fish

OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget & Finance

FROM: D. R. MacLaren
Field Officer, OME
Region I

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
1/17/67	$1,113.82	Flint Creek Valley Bank Philipsburg, Mont.	The Taylor-Knapp Co., Inc. (Trout Mining Co. Pocahontas, et al., Claims)	OME-6189 2139	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Shipments to Bunker-Hill - TR-21(A), TR-25(A), TR-26(A), TR-35(A), TR-41(A), & TR-43(A)

Shipments to Anaconda Sampler - TK-20-220 and TK-20-222

1/19/67
Date Prepared

ATTACHMENTS REC'D 1/19/67 (DATE)
BY M.L.S.
ROYALTY PMTS TO DATE $2,658.10

M. L. Smelser
Person Preparing Abstract

Date Received

Person Receiving Remittance

THE TAYLOR-KNAPP COMPANY

INCORPORATED

MONTANA OPERATIONS

P O BOX 200
PHILIPSBURG, MONTANA

January 17, [illegible]

Mr. [illegible], Acting Field Officer
OME [illegible]
[illegible] Exploration
[illegible]
[illegible]
[illegible]

[illegible] -9
[illegible] Lead-Zinc)
[illegible] Company
[illegible], et al., Claims
[illegible] County, Montana
[illegible] 14-23-090-2139

Dear [illegible]

[illegible] Trout Mining Company, as provided in the Lease [illegible], dated November 24, [illegible], we herewith enclose in [illegible] statement of this date listing settlements on silver-[illegible] from the Algonquin Mine during the period of May through [illegible] royalty under the referenced contract. [illegible] settlements listed are attached to the statement.

[illegible] our check in the amount [illegible] in settlement [illegible] stated through September 30, [illegible].

Very truly yours,

THE TAYLOR-KNAPP COMPANY

By: _____
S. R. Kia,

SRK:mjc
Encl., as [illegible]
cc: Trout Mining Co., New York
(Attn: Mr. Lyonne Kenison)

RECEIVED
[illegible] 1967
[illegible] WASH.

The Taylor-Knapp Company
Philipsburg, Montana

January 17, 1967

on behalf of

Trout Mining Company
233 Broadway
New York, N. Y.

Ref: Docket OME-6189
(Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 14-23-090-2139

ROYALTY STATEMENT
Summary of Settlements on Silver-Lead-Zinc Ore
Shipped from Algonquin Mine, Belle Claim
Period May - September, 1966

Month of Shipment	Purchaser	Lot No.	Settlement Date	Short Dry Tons	Net Smelter Value	Royalty (5%)
May	Bunker Hill Co.	TK-21(A)	6/3/66	159.73	$3,298.16	$164.91
June	Bunker Hill Co.	TK-25(A)	7/7/66	80.38	1,680.55	84.03
	" " "	TK-26(A)	7/28/66	79.55	1,538.62	76.93
July	Anaconda Co.	TK-ZO-220	7/20/66	412.0425	7,058.36	352.92
August	Anaconda Co.	TK-ZO-222	8/10/66	145.4945	1,242.55	62.13
	Bunker Hill Co.	TK-35(A)	8/30/66	82.47	1,392.71	69.64
September	Bunker Hill Co.	TK-41(A)	9/26/66	159.66	3,757.10	187.86
	" " "	TK-43(A)	10/6/66	79.89	2,308.02	115.40

Royalty Due for Period - $1,113.82

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK - 21 (A)

Date of Sampling May 30, 1966 Date of Settlement June 3, 1966

QUOTATIONS:

Lead	.15000
Silver	1.28900
Zinc	.14500

Total Wet Weight	164.30	Wet Tons
% Moisture	.0278	
Total Dry Weight	159.73	Dry Tons

ASSAYS

Lead	1.19	%	Zinc	10.10	%
Oxide Lead	0.00	%	Oxide Zinc	0.25	%
Silver	10.10	Oz/Ton	Iron	2.10	%
			Insol	45.00	%

PAYMENTS

Lead:
2,000 lbs. x 1.19 % @ 90% x (15.00 - 3.70¢) = $ 2.42

Silver:
1 ton x (10.10 oz. Ag. - 1 oz.) @ 85% x ($ 1.2890) = 9.97

Zinc: 9¢ base 5.20¢
2,000 lbs. x 9.85 % @ 80% x (5.5¢ over 9¢ @ 0.34¢ 1.87¢) = 11.71
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 24.10

159.73 Dry Tons @ $ 24.10 Total Value $ 3,849.49

159.73 Dry Tons Milled @ $3.00 $ 479.19

Freight ~~XXXXX~~ Charge 870.79

~~XXXXXXXXXXXX~~ (798.65)
Freight Credit @ $5.00/dry ton

Total Deductions $ 551.33

TOTAL NET VALUE FOR THIS LOT $ 3,298.16

Prepared By

Checked By

Approved for Payment N J Sather

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK - 25(A)

Date of Sampling June 30, 1966 Date of Settlement July 7, 1966

QUOTATIONS:

Lead	.15000	Total Wet Weight	82.54	Wet Tons
Silver	1.28900	% Moisture	2.62	
Zinc	.14500	Total Dry Weight	80.38	Dry Tons

ASSAYS

Lead	1.16 %	Zinc	10.70 %
Oxide Lead	0.02 %	Oxide Zinc	0.20 %
Silver	9.72 Oz/Ton	Iron	1.70 %
		Insol	40.55 %

PAYMENTS

Lead:
2,000 lbs. x 1.14 % @ 90% x (15.00 - 3.70¢) = $ 2.32

Silver:
1 ton x (9.72 oz. Ag. - 1 oz.) @ 85% x ($ 1.2890) = 9.55

Zinc:
2,000 lbs. x 10.50 % @ 80% x (9¢ base 5.5¢ over 9¢ @ 0.34¢ 5.20¢ 1.87¢) = 12.48
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 24.35

80.38 Dry Tons @ $ 24.35 Total Value $ 1,957.25

80.38 Dry Tons Milled @ $3.00 $ 241.14

Freight ~~XXXXXX~~ Charge 437.46

Freight Credit @ $5.00/dry ton ~~XXXXXXXXXXXX~~ (401.90)

Total Deductions $ 276.70

TOTAL NET VALUE FOR THIS LOT $ 1,680.55

Prepared By [signature]

Checked By [signature]

Approved for Payment N J Sather

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK-26(A)

Date of Sampling July 18, 1966 Date of Settlement July 28, 1966

QUOTATIONS:

Lead	.15000	Total Wet Weight	82.68	Wet Tons
Silver	1.28900	% Moisture	3.79	
Zinc	.14500	Total Dry Weight	79.55	Dry Tons

ASSAYS

Lead	1.16	%	Zinc	9.80	%
Oxide Lead	0.02	%	Oxide Zinc	0.27	%
Silver	9.40	Oz/Ton	Iron	1.60	%
			Insol	42.10	%

PAYMENTS

Lead:
2,000 lbs. x 1.14 % @ 90% x (15.00 - 3.70¢) = $ 2.32

Silver:
1 ton x (9.40 oz. Ag. - 1 oz.) @ 85% x ($ 1.28900) = 9.20

Zinc:
2,000 lbs. x 9.53 % @ 80% x (9¢ base 5.5¢ over 9¢ @ 0.34¢ 5.20¢ 1.87¢) = 11.33
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 22.85

79.55 Dry Tons @ $ 22.85 Total Value $ 1,817.72

79.55 Dry Tons Milled @ $3.00 $ 238.65

Freight ~~XXXXXX~~ Charge 438.20

Freight Credit @ $5.00/ ~~XXXXXXXXXXXX~~ dry ton (397.75)

Total Deductions $ 279.10

TOTAL NET VALUE FOR THIS LOT $ 1,538.62

Prepared By [illegible]

Checked By H. O

Approved for Payment

J. Sather

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

F. 600- 3-62—500—Standard

Mc. SRK 7/25/66 ZK

THE ANACONDA COMPANY, ANACONDA SAMPLER

RECEIVED FROM Taylor-Knapp Company
c/o Don S. Johnson
ADDRESS Box 250 - Philipsburg, Montana
MINE Algonquin Zinc Ore

ANACONDA, MONTANA
July 20, 1966

SAMPLER LOT TK-ZO-220

ASSAYS	OZS. SILVER	OZS. GOLD	PER CENT ZINC	PER CENT LEAD	PER CENT COPPER	PER CENT INSOLUBLE	PER CENT IRON	TREATMENT CHARGE	PRICE PER TON	VALUE	DRAFT
								$	$	$	
Sampler											
Shipper											
Umpire											
Settlement	8.00	.010	9.60	1.4	.46	68.7	1.9	3.00	19.45	8,014.23	
Dick Tunstill, Haul @ $ 2.25 per ton										955.87	
										$ 7,058.36	

OX ZN - .09
OX Pb - .05

PAYMENT FOR METALS

Zinc— less 1 % @ 80% of remainder @ 7.975¢
Silver— 75 % @ 128.900¢
Gold— 100 % @ $ 21.957
Lead— less .4 % ~~xxxxxxx~~ ~~in excess of~~ @ 15.000¢ less 2c
Copper— less .15% @ 50% @ 35.911¢ - 6.00¢

TREATMENT CHARGES

	CR.	DR.
Base—		3.00
Zinc Assay		
Zinc Price		
Insoluble and Iron		
Labor Var.		
Lead		
TOTAL $		3.00

NET TREATMENT CHARGE

SHIPPER'S LOT NO.	CAR NUMBER	WEIGHTS LBS. GROSS	% MOISTURE	LBS. DRY	DATE OF RECEIPT	DATE OF QUOTATIONS
	9 BAP Cars				7/ 7/66	E. & M. J. Average for Week Ending 7/ 1/66
	TOTAL	849,660	3.01	824,085		
	TOTAL			412.042.5	RAILROAD VALUE	

Pd 7/29/66
Ck #79001

The Anaconda Company, Anaconda Sampler

By [redacted]

F. 600- 3-62—500—Standard.

1MC - SRK 8/15/66 U.K.

THE ANACONDA COMPANY, ANACONDA SAMPLER

RECEIVED FROM Taylor-Knapp Company
ADDRESS c/o Don S. Johnson
Box 250 - Philipsburg, Montana
MINE Algonquin Zinc Ore

ANACONDA, MONTANA
August 10, 1966
SAMPLER LOT TX-ZO-222

A/9

ASSAYS	OZS. SILVER	OZS. GOLD	PER CENT ZINC	PER CENT LEAD	PER CENT COPPER	PER CENT INSOLUBLE	PER CENT IRON	TREATMENT CHARGE	PRICE PER TON	VALUE	DRAFT
								$	$	$	
Sampler											
Shipper											
Umpire											
Settlement	4.95	.008	6.57	1.1	.20	27.6	1.1	3.00	10.86	$ 1,580.07	

Dick Tunstill, Haul @ $ 2.25 per ton 337.52

$ 1,242.55

Ox Zn - .17
Ox Pb - .55

COPY

PAYMENT FOR METALS

Zinc— less 1 % @ 80% of remainder @ 7.975¢
Silver— 75 % @ 128.900¢
Gold— — % @
Lead— less .4 % [redacted] of @ 15.000¢ less 2c
Copper— less .15% @ 50% @ 36.013¢ - 6.00¢

TREATMENT CHARGES

	CR.	DR.
Base—		3.00
Zinc Assay		
Zinc Price		
Insoluble and Iron		
Labor Var.		
Lead		
TOTAL $		3.00

NET TREATMENT CHARGE

SHIPPER'S LOT NO.	CAR NUMBER	WEIGHTS LBS. GROSS	% MOISTURE	LBS. DRY	DATE OF RECEIPT	DATE OF QUOTATIONS
	3 BAP Cars				7/29/66	E. & M. J. Average for Week Ending 7/22/66
		300,020	3.01	290,989		
	TOTAL			145.4945	RAILROAD VALUE	

Pd. 8/15/66
Ck # 79498

The Anaconda Company, Anaconda Sampler

By [redacted]

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK - 35(A)

Date of Sampling August 19, 1966 Date of Settlement August 30, 1966

QUOTATIONS:

Lead	.15000
Silver	1.28900
Zinc	.14500

Total Wet Weight	83.91	Wet Tons
% Moisture	1.7108	
Total Dry Weight	82.47	Dry Tons

ASSAYS

Lead	1.85 %	Zinc	9.00 %
Oxide Lead	0.08 %	Oxide Zinc	0.23 %
Silver	6.70 Oz/Ton	Iron	1.80 %
		Insol	25.43 %

PAYMENTS

Lead:
2,000 lbs. x 1.77 % @ 90% x (15.00 - 3.70¢) = $ 3.60

Silver:
1 ton x (6.70 oz. Ag. - 1 oz.) @ 85% x ($ 1.2890) = 5.25

Zinc:
2,000 lbs. x 8.77 % @ 80% x (9¢ base 5.20¢ 5.5¢ over 9¢ @ 0.34¢ 1.87¢) = 10.43
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 20.28

82.47 Dry Tons @ $ 20.28 Total Value $ 1,672.49

82.47 Dry Tons Milled @ $3.00 $ 247.41

Freight ~~XXXXXX~~ Charge 444.72

Freight Credit @ $5.00/dry ton ~~XXXXXXXXXXXXXX Other Charges~~ (412.35)

Total Deductions $ 279.78

TOTAL NET VALUE FOR THIS LOT $ 1,392.71

Prepared By [signature]

Checked By [signature]

Approved for Payment [signature]

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05)

Lot # TK-41(A)

Date of Sampling September 17, 1966

Date of Settlement September 26, 1966

QUOTATIONS:

Lead	.1500
Silver	1.2890
Zinc	.1450

Total Wet Weight	163.82	Wet Tons
% Moisture	2.5397	
Total Dry Weight	159.66	Dry Tons

ASSAYS

Lead	1.45	%	Zinc	12.10	%
Oxide Lead	0.05	%	Oxide Zinc	0.20	%
Silver	10.10	Oz/Ton	Iron	1.90	%
			Insol	40.53	%

PAYMENTS

Lead:
2,000 lbs. x 1.40 % @ 90% x (15.00 - 3.70¢) = $ 2.85

Silver:
1 ton x (10.10 oz. Ag. - 1 oz.) @ 85% x ($ 1.2890) = 9.97

Zinc:
2,000 lbs. x 11.90 % @ 80% x (9¢ base 5.5¢ over 9¢ @ 0.34¢ 5.20¢ 1.87¢) = 14.15
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 26.97

159.66 Dry Tons @ $ 26.97 Total Value $ 4,306.03

159.66 Dry Tons Milled @ $3.00 $ 478.98

Freight ~~Topping~~ Charge 868.25

Freight Credit @ $5.00/ dry ton ~~Other Charges~~ (798.30)

Total Deductions $ 548.93

TOTAL NET VALUE FOR THIS LOT $ 3,757.10

23.5319

Prepared By [signature]

Checked By [signature]

Approved for Payment [signature]

cc: Shipper (3) ✓
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41 ✓

THE BUNKER HILL COMPANY

CUSTOM MILLING SETTLEMENT

Shipper The Taylor-Knapp Co. (7031-05) Lot # TK-43 (a)

Date of Sampling September 29, 1966 Date of Settlement October 6, 1966

QUOTATIONS:

Lead	.1500
Silver	1.2890
Zinc	.1450

Total Wet Weight	82.00	Wet Tons
% Moisture	2.5677	
Total Dry Weight	79.89	Dry Tons

ASSAYS

Lead	1.64	%	Zinc	14.40	%
Oxide Lead	0.00	%	Oxide Zinc	0.29	%
Silver	12.15	Oz/Ton	Iron	1.40	%
			Insol	39.60	%

PAYMENTS

Lead:
2,000 lbs. x 1.64 % @ 90% x (15.00 - 3.70¢) = $ 3.34

Silver:
1 ton x (12.15 oz. Ag. - 1 oz.) @ 85% x ($ 1.289) = 12.22

Zinc: 9¢ base 5.20¢
2,000 lbs. x 14.11 % @ 80% x (5.5¢ over 9¢ @ 0.34¢ 1.87¢) = 16.77
(No payment 1.50% Zn. or Less)

VALUE PER TON BEFORE MILLING & OTHER CHARGES $ 32.33

79.89	Dry Tons @ $ 32.33	Total Value	$ 2,582.84
79.89	Dry Tons Milled @ $3.00	$ 239.67	
Freight	~~Xxxxx~~ Charge	434.60	
Freight Credit @ $5.00/Dry Ton	~~Other Charges~~	(399.45)	
		Total Deductions	$ 274.82
		TOTAL NET VALUE FOR THIS LOT	$ 2,308.02

28.89

Prepared By [signature]

Checked By [signature]

Approved for Payment

H. R. Wrendal

cc: Shipper (3)
R. L. Haffner
N. J. Sather
F. L. Prindle
W. R. Westcott
File

CONC/41

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
June 17, 1963

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.

From: Acting Field Officer, Region 1

Subject: Collections--Transmittal of Royalty check
Contract No. 2139
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Docket No. OME-6189

Appropriation Symbol: OME 142039

Attached is a check as follows:

Check No.: 730

Date: 6/12/63

From: Trout Mining Company (New York Trust Company; New York, N.Y.)

Amount: $266.00

Period: Bal. of royalty due per royalty audit 5/6/63

Lot No.: --

Donald R. MacLaren

Donald R. MacLaren

Attachment

Distribution:

Operator

OME(2) wo/settlement sheets
CPF, Spokane

ATTACHMENTS REC'D 6/20/63 (DATE)
BY Bob Brown
ROYALTY PMTS TO DATE $1,544.78

RECEIVED
JUN 25 1963
U. S. G. S.
SPOKANE, WASH.

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

November 30, 1962

Memorandum

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

From: Acting Field Officer, OME. Region I

Subject: Collections - Transmittal of Royalty Check
Contract No. 2139
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana

Docket No. OME-6189
Appropriation Symbol: OME 142039

Attached is a check as follows:

Check No.: 2723

Date : November 29, 1962

From : Trout Mining Company (1st Nat'l Bank, Butte, Mont.)

Amount : $881.55

Period : July-August, 1962

Lot No. : --

Donald R. MacLaren

Donald R. MacLaren

Attachment

Distribution:
Operator
OME(2) w/cys settlement sheets
CPF, Spokane

RECEIVED
DEC 10 1962
U. S. G. S.
SPOKANE, WASH.

ATTACHMENTS REC'D 12/5/62 (DATE)
BY B.H. Brown
ROYALTY PMTS TO DATE $1,278.28

RECEIVED
SEP 4 1962
OFFICE OF THE SECRETARY
FISCAL SECTION

RE. OME 6189

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

PHILIPSBURG, MONTANA

-O. M.E. ROYALTY-

-JULY 1962-

	TONS	OZ. AG.	PRODUCT	% CU.	PRODUCT	% PB.	PRODUCT	% ZN.	PRODUCT
	189.80	6.40	1214.72	0.73	138.55	0.74	140.45	8.60	1632.28
	129.10	6.70	864.97	0.93	120.06	0.95	122.64	8.10	1045.71
	150.65	6.70	1009.36	0.63	94.91	1.06	159.69	7.60	1144.94
	117.80	6.00	706.80	0.49	57.72	1.06	124.87	7.20	848.16
	60.75	6.00	364.50	0.54	32.81	0.95	57.71	6.40	388.80
	50.00	7.70	385.00	0.68	34.00	1.06	53.00	7.80	390.00
	698.10		4545.35		478.05		658.36		5449.80
Average Assays		6.51		0.68		0.94		7.81	
X Dollar Factor		0.88		2.0		1.12		0.76	
Dollars per Ton		5.73		1.36		1.05		5.94 =	$14.08

TOTAL DOLLAR VALUE = 698.10 X $14.08 = $9,829.25

Tons subject to OME Royalty = 698.10

Percentage of total tonnage and value subject to royalty = 100%

Royalty due OME for July, 1962 : .05 X $9,829.25 = $491.46

RECEIVED
NOV 30 1962
U. S. G. S.
SPOKANE, WASH.

Re: OME 6189

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

-O.M.E. ROYALTY-

PHILIPSBURG, MONTANA

-AUGUST 1962-

	TONS	OZ. AG.	PRODUCT	% CU.	PRODUCT	% PB.	PRODUCT	% ZN.	PRODUCT
	101.95	6.40	652.48	0.44	44.86	0.92	93.79	6.10	621.90
	309.60	6.30	1950.48	0.53	164.09	0.92	284.83	6.90	2136.24
	194.65	6.00	1167.90	0.56	109.00	0.87	169.35	5.70	1109.51
	606.20		3770.86		317.95		547.97		3867.65
Average Assays		6.22		0.52		0.90		6.38	
X Dollar Factor		0.96		2.0		1.12		0.76	
Dollars per Ton		5.97		1.04		1.01		4.85 =	$12.87

TOTAL DOLLAR VALUE = 606.20 X $12.87 = $7,801.79

Tons subject to OME Royalty = 606.20

Percentage of total tonnage and value subject to royalty = 100%

Royalty: .05 X $7,801.79 = $390.09

RECEIVED
NOV 30 1962
U S G. S.
SPOKANE, WASH.

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

Memorandum

October 1, 1962

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

From: Acting Field Officer, OME, Region I

Subject: Collections - Transmittal of Royalty Check
Contract No. 2139
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana

Docket No. OME-6189
Appropriation Symbol: OME-142039

Attached is a check as follows:

Check No.: 2636
Date : September 27, 1962
From : Trout Mining Company (1st Nat'l Bank, Butte, Mont.)
Amount : $396.73
Period : May-June, 1962
Lot No. :

Donald R. MacLaren

Donald R. MacLaren

Attachment
Distribution:
Operator
OME(2)w/cys settlement sheets
CPF,OME,Spokane

RECEIVED
OCT 9 1962
U. S. G. S.
SPOKANE, WASH.

ATTACHMENTS REC'D 10/4/62 (DATE)
BY B.H. Brocou
ROYALTY PMTS TO DATE $ 396.73

TROUT MINING COMPANY
PHILIPSBURG, MONTANA

-O.M.E. ROYALTY-

-MAY 1962-

TONS	OZ. AG.	PRODUCT	% CU.	PRODUCT	% PB.	PRODUCT	% ZN.	PRODUCT
106.20	9.90	1051.38	0.30	31.86	1.27	134.87	8.0	849.60
101.90	9.20	937.48	0.34	34.65	0.95	96.81	10.2	1039.38
136.65	4.00	546.60	0.10	13.67	0.53	72.42	3.2	437.28
92.85	3.30	305.75	0.10	9.27	0.53	49.10	3.1	287.22
15.20	5.30	80.56	0.19	2.89	0.63	9.58	4.3	65.36
452.60		2921.77		92.34		362.78		2678.84
Average Assays	6.46		0.20		0.80		5.92	
X Dollar Factor	0.88		2.0		1.12		0.79	
Dollars per Ton	5.68		0.40		0.90		4.68	= $11.66

TOTAL DOLLAR VALUE = 452.60 X $11.66 = $5,277.32

Tons subject to OME Royalty = 228.70

Percentage of total tonnage and value subject to royalty = $\frac{228.70}{452.60}$ = 50.53%

Value subject to royalty = .5053 X $5,277.32 = $2,666.63

Royalty = .05 X $2,666.63 = $133.33

RECEIVED
OCT 1 1962
U S G. S.
SPOKANE, WASH.

TROUT MINING COMPANY
PHILIPSBURG, MONTANA

-O.M.E. ROYALTY-

-JUNE 1962-

TONS	OZ. AG.	PRODUCT	% CU.	PRODUCT	% PB.	PRODUCT	% ZN.	PRODUCT
259.30	4.50	1166.85	0.12	31.12	0.63	163.36	3.50	907.55
122.55	4.50	551.47	0.15	18.38	0.42	51.47	4.50	551.47
96.10	3.70	355.57	0.19	18.26	0.53	50.93	2.40	230.64
137.60	4.70	646.72	0.24	33.02	0.63	86.69	5.80	798.08
74.75	2.90	216.78	0.12	8.97	0.42	31.39	3.60	269.10
690.30		2937.39		109.75		383.84		2756.84
Average Assays	4.26		0.15		0.55		3.99	
X Dollar Factor	0.90		2.0		1.12		0.76	
Dollars per Ton	3.83		0.30		0.62		3.03	= $7.78

TOTAL DOLLAR VALUE = 690.30 X $7.78 = $5,370.53

Tons subject to OME Royalty = 677.10

Percentage of total tonnage and value subject to royalty = $\frac{677.10}{690.30}$ = 98.09%

Value subject to royalty = .9809 X $5,370.53 = $5,267.95

Royalty = .05 X $5,267.95 = $263.40

RECEIVED
OCT 1 1962
U.S.G.S.
SPOKANE, WASH.

Copy to. P-I

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 16, 1969

Trout Mining Company
233 Broadway
New York, New York 10007

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

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

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **January 1968**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Cancelled — Yes ☒ No ☐

   Is the Lease and Agreement of November 24, 1964, with the Taylor-Knapp Company still in full force and effect? If not, please give details. Cancelled — Yes ☐ No ☒

2. Since **January 1968**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since **January 1968**, has any production been transported through workings (see **Annex I, pg. 2,** of contract)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Charles R. Lambly Title President

Address 233 Broadway New York N.Y. Date 1/22/69

RECEIVED
JAN 30 1969
O.M.E.
SPOKANE, WASH.

GEOLOGICAL SURVEY
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

May 13, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas et al. Claims
Granite County, Montana
Contract 2139

I concur with the facts as stated in a Report of Review on the subject property issued in April 1968.

D. R. MacLaren

cc: OMR
CPF
Director's reading file

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. From January 17, 1972, to January 16, 1973 has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. From January 17, 1972, to January 16, 1973 has there been any production from the land subject hereto? Yes ☐ No ☒

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

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. From January 17, 1972, to January 16, 1973 has any production been transported through mines workings (*see* Annex I, page 2, *of contract*)? OME Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Frank M. Antonioli	*Title* Lessee
Address 224 So. Western Ave. Butte, Montana 59701	*Date* January 29, 1973

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

January 16, 1973

AIRMAIL

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Mr. Frank M. Antonioli
724 South Western Avenue
Butte, Montana 59701

Dear Mr. Antonioli:

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

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

This refers to the Lease and Option between Trout Mining Company and you, dated December 13, 1971.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since February 17, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true, or signed copy of the pertinent documents, unless they have been provided before.* Yes [X] No [ ]

Are the Lease and Option, dated October 14, 1969, and the Amendment to the Lease and Option, dated August 26, 1970,, between Trout Mining Company and James R. Hunter, still in effect? If not, please explain. Yes [ ] No [X]

See Attached Letter

2. Since February 17, 1971, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since February 17, 1971, has any production been transported through OME workings *(see* Annex I, page 2, *of contract)*? Yes [ ] No [X]

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

Disposition of Material	Quantity	Value

Submitted by:

Name Bernard E. Brandes	*Title* Treasurer
Address 61 Broadway, New York, N.Y.	*Date* January 17, 1972

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

January 11, 1972

Mr. John R. Engel
Stroock & Stroock & Lavan
61 Broadway
New York, New York 10004

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Engel:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

R-I

Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

TELEPHONE (212) 425-5200
TELEX STROOCK 620367
CABLE ADDRESS "PLASTROOCK"

WASHINGTON, D.C. 20036
1100 CONNECTICUT AVENUE, N.W.
TELEPHONE (202) 293-1990
CABLE ADDRESS
PLASTROOCK-WASHINGTON, D.C.

PARIS 8e, FRANCE
18-20 PLACE DE LA MADELEINE
TELEPHONE 742-23-33
CABLE ADDRESS
PLASTROOCK-PARIS

January 17, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 24 1972

INITIALS	CODE
	130
	120

RECEIVED
JAN 26 1972
O. M. E.
SPOKANE, WASH.

Mr. Harold Kirkemo
Chief, Office of Minerals
Exploration
United States Department of
the Interior
Washington, D. C. 20242

re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Kirkemo:

In response to your letter of January 11, 1972, I am enclosing two copies of the Request For Information relating to the above matter. The Lease and Option with James R. Hunter has been terminated and a new Lease and Option between Trout Mining Company, as Lessor and Frank M. Antonioli, as Lessee has been entered into. I am enclosing two copies of the new Lease and Option for your files. I call your attention to clause (b) of the first full paragraph on page 2 and to paragraph 3(e) on page 5, which are intended to preserve the Government's interest under the above OME Contract.

Very truly yours,

STROOCK & STROOCK & LAVAN

By John R. Engel
John R. Engel

JRE:js

P-I

Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

TELEPHONE (212) 425-5000
TELEX STROOCK 620367
CABLE ADDRESS "PLASTROOCK"

WASHINGTON, D. C. 20006
1100 CONNECTICUT AVENUE, N. W.
TELEPHONE (202) 223-1000
CABLE ADDRESS
PLASTROOCK-WASHINGTON, D. C.

PARIS 6e, FRANCE
10-00 PLACE DE LA MADELEINE
TELEPHONE 742-00-00
CABLE ADDRESS
PLASTROOCK-PARIS

RECEIVED
FEB 2 1971
SPOKANE, WASH.

February 17, 1971

Mr. Harold Kirkemo
Chief, Office of Minerals
Exploration
United States Department of
the Interior
Washington, D. C. 20242

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Kirkemo:

In response to your letter of January 20, 1971, I have written to Mr. James R. Hunter, lessee of the subject property, in order to obtain the information you have requested. To date, Trout Mining Company has not been informed by Mr. Hunter that there has been any production from the land nor has it received any payment from Mr. Hunter under the Lease and Option. As soon as I receive information from Mr. Hunter, I will pass it on to you promptly.

Very truly yours,

STROOCK & STROOCK & LAVAN

By:
John R. Engel

JRE:hk

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

RECEIVED FEB 8 1971 SPOKANE, WASH.

R-I

IN REPLY REFER TO: Office of Minerals Exploration

January 20, 1971

Mr. James R. Hunter
Post Office Box 421
Philipsburg, Montana 59858

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Hunter:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Form MME 63
(May 1970)

RECEIVED
FEB 8 1971
SPOKANE WASH

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since July 15, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Are the Lease and Option, dated October 14, 1969, and the Amendment to the Lease and Option, dated August 26, 1970, between Trout Mining Company and James R. Hunter, still in effect? If not, please explain. Yes ☒ No. ☐

2. Since July 15, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser (*name and address*)	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity (*tons*)	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since July 15, 1970, has any production been transported through workings (*see* Annex I, page 2, *of contract*)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name M. J. Collins	*Title* Bookkeeper
Address Box 340 Philipsburg, Montana	*Date* 1/27/71

Docket

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
March 7, 1969

(Dispatched) MAR 11 1969

SUMMARY FINAL REPORT

By: D. R. MacLaren

March 7, 1969

1. OME-6189 (Silver-Lead-Zinc)
Contract 2139
Operator: Trout Mining Company
233 Broadway
New York, New York 10007

Property: Consists of 11 patented lode claims in secs. 29 and 30, T. 7 N., R. 13 W. M.P.M., Flint Creek (unorganized) Mining District, Granite County, Montana.

Operator's Property Rights: It has rights to the claims under the terms of a Grant Deed, dated December 16, 1958, and other agreements, dated January 29, 1960, and December 28, 1960, by American Machine and Metals, Inc., a Delaware Corporation, whose mailing address is 233 Broadway, New York, New York 10007. The Grantor executed a Lien or Subordination Agreement, dated January 15, 1962. All portions of the Pocahontas vein above the 800 level of the Algonquin shaft are excluded from royalty on production.

2. The contract dated January 16, 1962, authorized a total expenditure of $77,610.00, of which the Government's share was 50 percent or $38,805.00.

Work Authorized:

(a) Extending the 1000 level west drift 1,500 feet on or near the Pocahontas vein structure;

(b) Preparing 5 diamond drill stations at 300-foot intervals along the drift;

(c) Diamond drilling a series of short holes into a known water course to the west of the first and fourth drill stations;

(d) Diamond drilling holes approximately 100 feet long into each drift wall from each of the five drill stations.

Amendments:

No. 1, dated November 21, 1962, provides for suspension of work beginning September 21, 1962, and ending not later than March 1, 1963; extending the life of the contract from 24 to 30 months and the royalty period from 10 to 11 years; and providing for termination of the contract and a pseudo-certification effective September 14, 1962, if work was not resumed on or before March 1, 1963, or effective July 16, 1964, if work was resumed by March 1, 1963, or effective July 16, 1964, if work was resumed by March 1, 1963, but was not completed by July 16, 1964. It also deleted Article 16 of the contract and substituted therefore as Article 12 provisions for Nondiscrimination.

The contract terminated effective September 14, 1962, because work was not resumed by March 1, 1963.

Work completed:

Actual Costs	None
Fixed Unit Costs	
658.5 ft drifting at $41.00/ft	$26,998.50
31.6 ft timbering at $8.00/ft	252.80
47 assays for Ag, Pb, and Zn at $3/assay	141.00
Total Acceptable Costs	$27,392.30
Government Participation at 50 percent	$13,696.15

Final Reports:

Operator's final report was received October 23, 1963

3. Report of Review, dated November 5, 1963.

Royalty Audit Reports, dated May 6, 1963, and April 1968.

4. A certification of possible production was issued December 19, 1963.

5. Comments:

At the Trout mine silver-lead-zinc ore bodies occur in steeply striking fissure veins in shaley and quartzitic sedimentary rocks. The veins range in width from an inch to 20 feet. Bedding plane faults, mostly post-ore, offset the veins, but displacements are usually small.

Records of past production are incomplete, but it is known that manganese and silver-lead-zinc ores were produced more or less continuously from the early 1900's through January 1938 when the pumps on the 1000 level were pulled, and mine allowed to flood. There was some production from the upper levels by leasers from 1938 through 1958. Since the latter part of 1960, there was some production of silver-lead-zinc ore from exploration and development work along the Pocahontas vein on the 800 level of the Algonquin Shaft. This work disclosed two ore shoots 500 feet long and 200 feet long, respectively, with widths ranging from 4" to 48".

Although most of the production came from the Flathead quartzite and the overlying Silver Hill shale, some came from the Spokane quartzite below the Flathead. Therefore, it was concluded that deeper exploration on the 1000 level was warranted.

Prior to the start of OME work, drifting for company account cut a water course that discharged about 550 gpm later increasing to 700 gpm. This rate of discharge continued for 72 days after all drill holes were plugged and wedges were driven into most of the small fissures and cracks.

OME work began February 14, 1962, and for the first 28 feet or so the water discharge rate again increased necessitating closing the water doors for 7 days. When work resumed, the face was advanced about 87 feet with occasional slight increases in water flow. At that point an outage at the Montana Power sub-station left the mine without electricity for 3 hours causing complete flooding of the level, the water rising to about 8 feet in the shaft above the level back. Two weeks were required to dewater the level and rehabilitate the equipment after which the drift was advanced 50.5 feet without stoppage due to water flow. This drifting of necessity was north of the projected location of the Pocahontas vein. From near this drift face a crosscut was driven about 57.5 feet southwesterly cutting the vein at about 35 feet.

The vein was followed for about 338 feet with no difficulty, but at this point another water course was cut causing work stoppage for 10 days. The next 31 feet was driven in badly fractured ground that required two lead sets, but a that point, 369 feet from the crosscut, another heavy flow of water poured from the lifter holes, and the advance was again halted. During the first drifting halt a stope raise, no. 1046, 26 feet long was driven to a height of 12 feet and during the second drifting halt another stope raise, no. 1043, 22 feet long was driven to a height of 9 feet. The next 66 feet of drifting was interrupted for only 3 days by water flow. Total drifting on the vein west of the crosscut was 435 feet. Stope raise 1046 was continued to a height of 24 feet and stope raise 1043 was driven to a length of 33 feet and a height of 10 feet.

The vein structure ranges in width from 2 to 25 inches within which one to three streaks of high-grade sulfides range in width from little more than a knife edge seam to lenses filling the 25-inch wide parts; the strike ranges from S. 85° W. to due west and the dip from 74° N. to 90° N.

There are three zones of ore-grade material but only one of near minable width. They are:

1(a) From the crosscut westerly for a distance of about 215 feet, a total of 28 samples indicate an average grade of 23.39 ounces silver per ton, 1.15 percent copper, 2.02 percent lead, and 28.81 percent zinc over an average width of 0.58 feet. Near the center of this zone raise 1046 was driven 24 feet above the level. Four samples from various points in the raise indicated an average grade of 50.1 ounces silver per ton, 1.95 percent copper, 4.34 percent lead, and 36.65 percent zinc over an average width of 1.08 feet; at the head of this raise the vein had narrowed to 0.3 feet.

1(b) Thirteen samples taken between 95 feet and 215 feet from the westerly crosscut indicate an average grade of 28.98 ounces silver per ton, 1.26 percent copper, 2.40 percent lead, and 36.41 percent zinc over an average width of 0.57 feet. Raise 1046 is near the east end of this zone.

2) From 297 feet to 345 feet west of the crosscut, five samples indicate an average grade of 34.55 ounces silver per ton, 1.77 percent copper, 5.30 percent lead, and 41.20 percent zinc, over an average width of 0.62 feet. Near the center of this zone a stope raise driven for 10 feet above the drift back showed that the width narrowed to 0.40 feet; one sample had a grade of 25.20 ounces silver per ton, 0.68 percent copper, 1.58 percent lead, and 21.80 percent zinc, over a width of 0.4 feet.

3) From 345 feet to 435 feet west of the crosscut, 13 samples indicate an average grade of 31.99 ounces silver per ton, 2.98 percent copper, 1.76 percent lead, and 38.49 percent zinc over an average width of 1.12 feet. In this zone a stope raise about 50 feet long was driven to a height of about 10 feet above the drift back; three samples from the stope had an average grade of 29.12 ounces silver per ton, 1.24 percent copper, 5.54 percent lead, and 34.22 percent zinc over an average width of 0.8 feet. At the stope back, the vein narrowed to 0.4 feet.

Each of these zones is of ore grade, but only zone three approaches minable width. In each case the vein pinches to 0.4 feet or less within 10 to 20 feet above the level. All zones are within the Spokane quartzite directly below stoped areas on the 800 level.

It is concluded that the work did not progress far enough laterally or vertically to compute a meaningful ore reserve and that the consistent overall grade justifies continuation of the drift and one or two raises to the 800 level to test the area completely.

D. R. MacLaren

D. R. MacLaren

Distribution:

OME	Docket
USGS(SRO)	MacLaren

LEASE AND OPTION

THIS LEASE AND OPTION TO PURCHASE, made this 13th day of DECEMBER, 1971 by and between TROUT MINING COMPANY, a Delaware corporation, with its principal office at 233 Broadway, New York, New York 10007, hereinafter called LESSOR, and FRANK M. ANTONIOLI, whose address is 724 South Western Avenue, Butte, Montana 59701, hereinafter called LESSEE.

WITNESSETH:

It is mutually agreed by and between the parties hereto as follows:

1. PROPERTY LEASED WITH OPTION:

For and in consideration of the payments to be made by Lessee and the covenants and agreements to be observed and performed by Lessee, the Lessor does hereby lease, let and rent unto the Lessee, with option to purchase, upon the terms and conditions hereinafter specified, the following described mining claims situate in Township Seven (7) North, Range Thirteen (13) West, Montana Principal Meridian, in Granite County, Montana, to wit:

Name of Mining Claim	Survey Number
Gem	84
Speckled Trout	373
Pocahontas	373
Trout	373
Kitty Clyde	373
Providentia	373
John Coyle	9630

Name of Mining Claim	Survey Number
Torrit	9630
Algonquin	505
Belle Fraction	10203
Bear No. 2	2075
Belle	737
Brooklyn	2404
Dead Horse	4435
Franklin No. 2	157
Levi Burr	940
Phiminco	10202
Little Gem	10281
West Algonquin	10281
Bernard	10281
Derby	10336
Elienore	10338
Free Silver	10716

Together with all ore dumps located thereon, SUBJECT HOWEVER, to (a) the rights of Peter J. Antonioli, Frank M. Antonioli and William F. Antonioli, their successors and assigns, under a certain Agreement, Bill of Sale and Ground Lease dated February 11, 1964 by and between said individuals and the Lessor herein and (b) the rights of the United States of America, acting through the Department of the Interior, Office of Minerals Exploration (hereinafter called the "Government") under a certain exploration contract dated January 16, 1962, as amended November 21, 1962, between the Government and the Lessor herein (the "Exploration Contract").

The premises covered hereby are and are intended to be the same premises leased to James R. Hunter pursuant to a Lease and Option, dated October 14, 1969 (the "Hunter Lease") between James R. Hunter and the Lessor herein. Lessor makes no representation or warranty with respect to the description of the premises covered hereby or with respect

to the nature of its right, title or interest therein. In the event the Lessee is evicted from the premises or any part thereof by paramount title, Lessor shall not be liable for any actual or consequential damages or loss of profits nor shall there be any abatement of the royalties (except royalties on ores subsequently mined from premises from which Lessee shall be evicted) or minimum payments required pursuant to paragraph 3 hereof. In the event Lessee is evicted from the premises or any substantial part thereof (more than five claims), Lessee's sole remedy shall be to cancel and terminate this Lease and Option upon written notice to the Lessor.

Lessee hereby agrees to explore, develop and operate the premises covered hereby on the terms and conditions hereinafter specified.

2. TERM OF LEASE AND OPTION:

This Lease and Option shall run for a term of twelve (12) years from the date hereof upon the terms and conditions set forth herein, unless sooner terminated as hereinafter provided.

3. ROYALTIES AND MINIMUM PAYMENTS:

(a) Lessee shall pay to Lessor, as royalty upon all ores that may be mined, shipped or sold from the demised premises, eight (8) percent of all net smelter returns on all ores. By net smelter returns is meant the aggregate amount received for such ores after deducting therefrom the direct cost of smelting and freight or haulage charges from the mine to smelter. In case Lessee shall receive any other amounts from the sale of such ores over and above the settlement made by the smelter, Lessee shall pay to Lessor the same percentage for such additional receipts as specified in the above scale of royalty for lots for which the settlement is made. With all payments of royalties on ores or concentrates, Lessee shall submit to Lessor a copy of the settlement sheets showing the number of wet tons sold, the moisture content, and the percentage of values in each lot for which settlement is made, together with a statement of the amount received for each lot.

(b) Lessee shall make all payments and settlements of royalties hereunder monthly, on or before the fifteenth day of each month, for all ores mined, shipped or sold during the preceding calendar month.

(c) On or before the expiration of two years from the date of this Lease and Option Agreement, a minimum payment of $5,000.00 must be made by Lessee to Lessor unless the royalties paid during the first two years of this Lease and Option Agreement are in excess of the $5,000.00 minimum payment.

(d) After two years from the date hereof, Lessee shall pay to Lessor monthly, during the remainder of the term of this Lease and Option, on or before the fifteenth day of each month (i) the royalties for the preceding calendar month (which, for the purposes of this subparagraph (d), shall commence with the month in which such two year anniversary date occurs) to which Lessor is entitled pursuant to subparagraphs (a) and (b) above or (ii) the sum of one thousand dollars ($1,000.00), whichever is greater.

(e) In addition to the royalties and payments provided for in subparagraphs (a), (b), (c) and (d) above and in order to preserve the Government's right to royalty under the Exploration Contract as required therein, Lessee shall pay to Lessor the five (5%) percent royalty on production according to the terms of and as provided for in the Exploration Contract, a copy of which has been delivered to Lessee. Lessor agrees to pay such five (5%) percent royalty to the Government when received from Lessee and Lessor hereby grants to the Government a lien upon all of its right, title and interest under this Lease and Option to secure the payment to the Government of the royalties provided by the Exploration Contract.

(f) Lessee's failure to comply with any of the provisions of subparagraphs (a), (b), (c), (d) or (e) above shall be cause for termination of this Lease and Option.

(g) All royalties and payments hereunder shall be paid and delivered to:

Trout Mining Company
233 Broadway
New York, New York 10007

4. OPTION TO PURCHASE:

Lessee shall have the right and option, but shall not be required, at any time during the term hereof, or during any extension of such term, to purchase the interest of Lessor in and to said mining claims for the sum of one and one-half million dollars ($1,500,000.00); but in the event that Lessee shall exercise such option to purchase, such purchase price shall be reduced to the extent of all payments of royalties theretofore made to Lessor under subparagraphs (a) through (d) of paragraph 3 above; such option may be exercised by the delivery to Lessor of written notice of Lessee's election to make such purchase. Within thirty (30) days after the delivery of such notice, Lessor shall deliver to Lessee an abstract of title. Such abstract of title charges and expenses shall be paid by Lessee. In case the title, on examination by Lessee, is found materially defective within thirty (30) days after abstract of title is furnished, then, unless the material defects be cured within ninety (90) days after written notice thereof, Lessee shall be under no obligation to conclude the purchase of the property, but Lessee at its option may, nevertheless, accept the title subject to any defect or defects so found without abatement in the purchase price. In case Lessee shall have so exercised its option and if title is found

good or is accepted by Lessee, then Lessor shall be obligated to sell said mining claims to Lessee upon the payment of the balance of the purchase price due and owing. Lessor in such case agrees to deliver to Lessee a quitclaim deed or its equivalent.

5. LESSEE TO PAY TAXES AND ASSESSMENTS:

Lessee shall pay, before delinquent (a) all taxes and assessments levied against any machinery, equipment, improvements or other property placed upon said mining claims by or at the request or direction of the Lessee, his agents or representatives, (b) all license and net proceeds taxes which may be levied by authority of law on the business of mining said premises, or upon the ores or proceeds therefrom, (excepting net proceeds and other taxes upon royalty paid to the Lessor), and (c) all taxes and assessments levied against any machinery, equipment, improvements or other property located on said mining claims from the date of purchase or other acquisition of same by Lessee.

6. OPERATION OF THE PREMISES:

The demised premises shall be worked separately from all other lands and all ore mined or removed therefrom shall be kept segregated from all other ores mined by Lessee until the weight and value thereof shall be determined.

7. INSPECTION OF MINE:

The Lessor, through his authorized representatives, shall at all times during the term of this lease have

the right to enter upon and inspect the premises and all workings thereof, together with the beneficiating plant or plants used in connection therewith and to make any survey that may be deemed necessary either for the purpose of checking the amounts of ores mined or for an examination of the physical condition of the properties, workings, plants and buildings.

8. CONDUCT OF OPERATIONS:

Lessee shall enter upon the demised premises on or before March 1, 1972, and shall thereafter work the same in a diligent manner necessary to good and economical mining so as to take out the greatest possible amount of commercial ore free from waste, having due regard to the safety, development and preservation of said premises as a workable mine, and shall expend a minimum of $50,000.00 during the first year of this Lease and Option Agreement. The Lessee shall further expend a minimum of $100,000.00 during each remaining year of this Lease and Option Agreement. Lessee hereby covenants and agrees that he will sufficiently timber said mine at all points where proper and shall repair all old timbering wherever it shall be necessary in order to preserve the mine in workable condition, all in accordance with good mining. He shall keep all drifts, shafts, tunnels and workings in good condition and repair and will keep the same drained and clear of loose rock and debris. He shall adequately fence, cover or otherwise protect

all shafts, cuts or other surface openings made or used by him under this Lease and Option.

9. MAPS AND MINING DATA:

Lessee shall furnish to Lessor a copy of all maps and plats of the workings which Lessee shall cause to be made for his own purposes and agrees to furnish to Lessor at least annually an accurate map showing the results of surveys and all workings and geological data developed during each yearly period of operations, all without cost to Lessor.

10. BOOKS AND ACCOUNTS:

Lessee shall keep a complete and separate set of books, records and accounts in accordance with generally accepted accounting principles, covering all phases of its operation of the demised premises, which will include, without limitation, records of the amount of ores extracted from said mine, the amount of ores shipped, sold or treated, costs and expenses, the amount of money received for said ores and the values extracted therefrom. Lessor or its authorized representatives shall have full and free access to said books, records and accounts of Lessee at all reasonable times. If any dispute shall arise out of the maintenance of Lessee's books, records and accounts or any matter shown therein, and in the event such dispute is not resolved by the parties hereto, then the dispute shall be resolved by Lessor's independent certified public accountant, whose determination shall be final and binding on the parties hereto.

11. DISPOSAL OF WASTE, REFUSE AND MINE WATER:

Lessee shall make such provision for the disposal of waste, refuse and mine water from the mine or mines on the demised premises so that the same shall not be a nuisance nor injure the property of Lessor or of others, nor obstruct or contaminate any stream, nor obstruct any right-of-way or other means of transportation or travel on the lands of Lessor or others.

12. LABOR AND MATERIALS AND SHIPPING CHARGES TO BE PAID BY LESSEE:

Lessee shall, at his own cost and expense, furnish all labor, materials and supplies necessary for the proper operation of the demised premises under this Lease and Option, and Lessor shall in no event be liable for any costs of freight and treatment, or otherwise incur any liability to any person by reason of the execution and delivery of this Lease and Option, except to deliver possession of the demised premises to Lessee for mining and development by him in accordance with the terms hereof.

13. LIENS:

Lessee shall, when due, fully pay for all machinery, equipment and materials adjoined to or affixed to the demised premises and shall, when due, pay in full any persons who perform labor upon said premises, and shall not permit or suffer any lien of any kind or nature to be attached to said premises for any work done or machinery, equipment

or materials furnished thereon at the instance or request or on behalf of Lessee.

14. STATE AND FEDERAL ENACTMENTS AND CITY ORDINANCES:

Lessee, in the operation and development of the demised premises, shall observe and comply with all applicable Federal and state laws, safety regulations and city ordinances, and shall, without limiting the generality of the foregoing, comply with the laws of the State of Montana with reference to Workmen's Compensation, and shall insure and keep insured under the provisions of said Workmen's Compensation Law, all persons employed by Lessee, during the term hereof.

15. LIABILITY INSURANCE-INDEMNITY:

(a) Lessee agrees that simultaneously with the commencement of the term of this Lease and Option he will furnish to Lessor and will keep in full force and effect during the term hereof, and any extension or renewal hereof, comprehensive liability insurance in a company or companies acceptable to Lessor insuring Lessee and Lessor, their heirs, successors and assigns against any and all liability, cost, expense and damage on account of injuries, including death, suffered by any person or persons, and on account of damage to or destruction of property of others, which may result because of any act, omission or operation of Lessee, its agents, employees or representatives, in the conduct of its operations in, on, or in connection with the demised premises,

or in carrying on the work contemplated hereunder; such comprehensive liability insurance to be not less than the following amounts, to-wit: Bodily injury, including death, $100,000 for each person with a maximum of $500,000 for any one occurrence; aggregate property damage of $50,000. Such policy or policies of insurance, or a certificate or certificates of such insurance, duly executed by the insurance carrier, shall be delivered to and retained by Lessor. Lessee hereby agrees to pay, when due, all premiums accruing on such insurance.

(b) Lessee agrees to, and does hereby indemnify and hold harmless Lessor from and against any and all damages, liabilities, liens, claims, demands, costs, causes of action and suits at law or in equity claimed or asserted by any person, firm or corporation whatsoever, in any way growing out of this Lease and Option, or because of the operations or the carrying on of the work contemplated hereunder.

16. LESSOR TO BE GIVEN NOTICE OF LITIGATION:

Lessee shall promptly notify Lessor in writing of the institution of any litigation involving the rights granted by this Lease and Option, and in the event Lessor is, in its judgment, in any way interested therein, it may, at its option, enter into the conduct and defense of such litigation to the extent it may deem advisable.

17. DEFAULT BY LESSEE:

Time is of the essence of this agreement, and in case the Lessee shall fail to keep and perform all or any one of the covenants and agreements herein written and contained, to be by him on his part performed, in the manner, from and at the time as herein agreed, then Lessor may, at its option, and upon thirty (30) days' notice in writing to Lessee, specifying the default causing termination, declare this Lease and Option terminated and at an end, and all the rights of the Lessee shall cease and be wholly terminated and at an end; provided, however, that if within said thirty-day period Lessee shall remedy such default this Lease and Option shall not terminate.

A waiver by Lessor of a particular breach of any covenant or agreement shall not be deemed or held to be a waiver of or affect any other breach or impair its rights resulting therefrom.

18. SURRENDER OF PROPERTY:

Upon the termination if this Lease and Option for any cause, Lessee shall immediately surrender unto Lessor all of the premises herein demised without delay or hinderance and the Lessor shall have the right immediately upon the expiration or termination howsoever of this Lease and Option to enter upon the premises aforesaid and to take immediate possession thereof without declaration of forfeiture, act of re-entry or process of law.

19. REMOVAL OF EQUIPMENT:

Lessee shall have the right to remove from the demised premises, within a period of ninety (90) days from the termination hereof, all machinery, tools and other equipment placed thereon by him, but not buildings, hoist frames, rail or other fixtures which shall become a part of said premises, and unless so removed within said period the same shall immediately become the property of Lessor. Lessee shall be liable for any damage caused by the removal of his property from the demised premises. Lessee shall not remove or impair any supports, mine props or mine timbers which may be necessary for the protection of any openings of such mine or mines.

20. HOW NOTICES TO BE GIVEN:

All notices given or required to be given under the terms of this Lease and Option shall be in writing, sent by United States mail with postage thereon prepaid; and shall be addressed as follows (or to such other address as either party may notify the other in accordance with the provisions hereof):

Notices to the Lessor shall be addressed to Trout Mining Company, 233 Broadway, New York, New York 10007.

Notices to the Lessee shall be addressed to Frank M. Antonioli, 724 South Western Avenue, Butte, Montana 59701.

In lieu of mailing such notices they may be served personally upon the parties to whom they would otherwise be mailed. Notices mailed shall be deemed given and

received upon being deposited in a United States Post Office addressed as provided herein and with postage prepaid; provided, however, that any notice of change of address shall be effective only upon receipt.

21. SUCCESSORS AND ASSIGNS:

This Lease and Option shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns; provided, however, that this Lease and Option shall not be assignable by the Lessee without the prior written consent of the Lessor.

IN WITNESS WHEREOF, the said parties have hereunto set their hands the day and year in this agreement first above written.

LESSEE:

Frank M Antonioli

Frank M. Antonioli

LESSOR:
TROUT MINING COMPANY

By: [illegible]

Treasurer

STATE OF MONTANA)
) ss.:
COUNTY OF SILVER BOW)

On this 9th day of DECEMBER, 1971, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Frank M. Antonioli, known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 9th day of December, 1971.

Gertrude V. Hall
Notary Public for the State of Montana
Residing at Butte
My commission expires 12/20/72

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 13th day of DECEMBER, 1971, before me, the undersigned, a Notary Public for the State of New York, personally appeared Bernard E. Brandes, known to me to be the Treasurer of Trout Mining Company, the Corporation that executed the within instrument, and acknowledged to me that such Corporation executed the same.

John R. Engel
Notary Public

JOHN R. ENGEL
Notary Public, State of New York
No. 31-1116585
Qualified in New York County
Commission Expires March 30, 1973

R-I

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

January 20, 1970

Mr. John R. Engel
Strook & Stroock & Lavan
61 Broadway
New York, New York 10006

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Engel:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

RECEIVED

MAR 8 1971

SPOKANE, WASH.

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since July 15, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

Are the Lease and Option, dated October 14, 1969, and the Amendment to the Lease and Option, dated August 26, 1970, between Trout Mining Company and James R. Hunter, still in effect? If not, please explain. Yes ☒ No ☐

2. Since July 15, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since July 15, 1970, has any production been transported through OME workings *(see* Annex I, page 2, *of contract)*? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Bernard E. Brandes, Esq.	*Title* Treasurer
Address 61 Broadway New York, New York 10006	*Date* March 1, 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

MAY 6 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Enclosed is a copy of the Royalty Review of the subject contract issued in April 1968.

If you concur in the facts stated in the report, your memorandum indicating such concurrence should be furnished in duplicate to this office. The Royalty Review is for record purposes only and a copy is not to be furnished the Operator.

If for any reason you do not concur, the report should be returned to this office with your comments.

Frank E. Johnson

Frank E. Johnson

Enclosure

MAY 8 1968

Field Office's copy

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Royalty Review - Contract 2139
Docket No. OME-6189 (Silver-Lead-Zinc)
Trout Mining Company (Operator)
Pocahontas, et al., Claims
Granite County, Montana

April 1968

We have examined the cash receipts records in the Branch of Budget and Finance, Administrative Division, Geological Survey, and reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to royalty due to the Government under provisions of the subject minerals exploration contract. The review was performed at Washington, D. C., on April 15, 1968.

This contract provides that the Operator, if the producer or as guarantor if not the producer, shall pay the Government a 5 percent royalty on the value of any production from the specified property, or production from other mine areas transported through any mine workings to the cost of which the Government has contributed, between January 16, 1962, and January 16, 1973, or until the Government's participation in the exploration costs, $13,696.15, has been repaid with simple interest at 6½ percent per annum, whichever occurs first.

An audit performed on April 24 and 25, 1963, at the Operator's office in Philipsburgh, Montana, found that production and sales amounted to $30,885.69, and royalty payable to the Government under terms of this contract amounted to $1,544.28, of which $1,278.28, had been paid at April 25, 1963. The balance due amounting to $266, was paid by the Operator in June 1963.

By a Lease and Agreement of November 24, 1964, the Operator's mining properties were leased to the Taylor-Knapp Company who agreed to make future royalty payments to the Government in the manner provided by the exploration contract. The latter company has reported sales of ore to Bunker Hill Company and the Anaconda Company during the period May 1966 through March 1967 aggregating $70,815.15. Royalty paid to the Government on the value of such sales amounted to $3,540.79. Our review of the copies of smelter settlement statements submitted by Taylor-Knapp in support of the royalty payments indicates that proper royalty has been computed and paid on the value of the reported production.

We therefore find that the reported production through March 1967 had a value of $101,700.84, on which the Government has received royalty, on the 5 percent basis provided in the contract, aggregating $5,085.07.

The Taylor-Knapp Company is obligated to the Government for the payment of royalty under provisions of Contract ldm-E9, Docket No. DMEA-42. A Report of Royalty Review pertaining to that contract is being submitted concurrently with this report. When any on-site

investigation is made with respect to Contract ldm-E9 the matter of any additional royalty that may be due on production from the Trout properties should be explored.

C. E. Fisher

C. E. Fisher, Auditor

Reviewed by:

W. H. Wilkerson, Jr.

W. H. Wilkerson, Jr., Contract and Grant Audit
Audit Operations, Office of Survey and Review

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

February 8, 1965

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Trout Mining Company
233 Broadway
New York 7, New York

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

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

Sincerely yours,

George C. Selfridge
mm

George C. Selfridge, Chief
Division of Exploration Operations

MME Form 63
Revised 3-62

OME-6189
2139

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

   See copy of Lease and Agreement dated November 24, 1964 between this Company, Antonioli and the Taylor-Knapp Co. This was submitted with report Re: DMEA-3076 Mullen Mine Contract Idm. E591

2. Since April 1963, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	NONE	Tons		
Concentrates	"	Tons		
Other	"	Tons		

3. Since April 1963, has any production been transported through workings (see Annex I of contract)? Yes [ ] No [X]

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

Disposition of Material	Quantity	Value

Submitted by:

Name Alphonse Kenison
Alphonse Kenison
Address 233 Broadway, N.Y.C.

Title Secretary
Date March 17, 1965

RECEIVED
MAR 26 1965

IN REPLY REFER TO:

RECEIVED
APR 25 1966
OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

April 18, 1966

Trout Mining Company
233 Broadway
New York 7, New York

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

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

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

1. Since February 1965, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]
Is the Lease and Agreement of November 24, 1964, with the Taylor-Knapp Company still in full force and effect? If not, please give details. Yes [X] No [ ]

2. Since February 1965, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since February 1965, has any production been transported through workings (see Annex I of contract)? Yes [ ] No [X]

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

Disposition of Material	Quantity	Value

Submitted by:

Name Alphonse Kenison
Alphonse Kenison

Title Secretary

Address 233 Broadway, New York, N. Y. 10007

Date April 18, 1966

P-I

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 23, 1968

Trout Mining Company
233 Broadway
New York, New York 10007

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

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

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **March 1967**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

   Is the Lease and Agreement of November 24, 1964, with the Taylor-Knapp Company still in full force and effect? If not, please give details. Yes ☒ No ☐

2. Since **March 1967**, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since **February 1967**, has any production been transported through workings (see of contract)? Yes ☐ No ☒

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

Disposition of Material	Quantity	Value

Submitted by:

Name Charles R Lambly Title Pres

Address 233 Broadway NY Date 1/31/68

RECEIVED
FEB 8 1968
Olympia, Wash.

Region I

Noted
MLS
12/26/63

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

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Trout Mining Company
233 Broadway
New York 7, New York

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

Pursuant to Article 7 of the contract, as amended, referred to above, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract and on all production transported through workings to the cost of which the Government contributed in accordance with the special "Agreement Concerning Royalty" of Annex I of the contract, from January 16, 1962, to January 16, 1973, or until the sum contributed* by the Government is fully repaid with interest, at the rate of 6¼ percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

* The sum contributed by the Government amounted to $13,696.15.

The Field Officer should be promptly notified upon the future commencement of any production and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

Dated this 19th day of December, 1963.

THE UNITED STATES OF AMERICA

George Fumich, Jr.

Director, Office of Minerals Exploration

FMMurphy/mm
12/10/63
cc: Director's Reading File
CA&A Division
Fiscal Section
Review Committee
Mr. Johnson
Docket
Code 500
AMETEK, Inc., 233 Broadway, New York 7, N.Y.
Region I

RECEIVED
DEC 26 1963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Trout Mining Company
Philipsburg, Montana

and

233 Broadway
New York 7, New York

pertaining to Exploration Contract 14-23-090-2139, OME No. 6189, including Amendment No. 1, for February 1962, to August 1962, inclusive, covering a silver-lead-zinc project on the Pocahontas, et al., Claims, Granite County, Montana.

My review included an examination of the Monthly Vouchers (OME Forms 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, 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 reason that:

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$28,823.00
Exceptions:		
Prior to this review	$-0-	
Herewith	1,430.70	1,430.70
Total acceptable cost		$27,392.30

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$13,696.15
Paid to date	14,211.50
Balance due to the Government	$ 515.35

November 5, 1963

E. D. Talbert
E. D. Talbert, OME Auditor

Cooperator
11/19/63

Exceptions herewith:

(1) The contract provides for cutting by raising and crosscutting, to such depth and height that 10-foot rods may be pulled, of 5 diamond drill stations at approximately 300-foot intervals along the drift, whereas the Operator has claimed costs for 4 stations not in accordance with such specifications and, furthermore, did not perform the diamond drilling under the contract; disallowed:

15.5 ft. Crosscutting @ $35.00	$542.50
16.0 ft. Raising @ $20.00	320.00

(2) The contract provides for timbering only of the exploratory drift thereunder, whereas the Operator's claimed costs include timbering both easterly from the starting point under the contract and in connection with stope raises; disallowed:

68.4 ft. Timbering @ $8.00	547.20

(3) The contract provides for assaying of samples from the drift and drill cores only, whereas the Operator's claimed costs include assays of samples from stopes and raises; disallowed:

7 Sample Assays @ $3.00	21.00
	$1,430.70

Acceptable cost:

Drifting, 658.5 ft. @ $41.00	$26,998.50
Timbering, 31.6 ft. @ $ 8.00	252.80
Sample Assays, 47 ea. @ $3.00	141.00
	$27,392.30

RECEIVED
NOV 12 1963

Noted
MLS
10-25-63

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

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: GMR-6189 (Silver-Lead-Zinc)
Trout Mining Company
Poorhouse, et al., Claims
Granite County, Montana
Contract 2139

Enclosed are three copies of an acceptable Operator's final report on the cited contract.

A certification of discovery will be recommended based on the Operator's estimate of 17,000 tons of ore having a value of $20 per ton.

D. R. MacLaren

Enclosures

cc: Director's reading file
Resources Research Branch Chief

DRMacLaren:mls

Trout Mining Company
Philipsburg Montana

October 21, 1963

Final Narrative report for OME Contract # 14-23-090, ne 2139
Docket number 6189

The Algonquin shaft of the Trout Mining Company was dewatered and the work of rehabilitating the shaft and the 1000 level st ation was completed in September of 1961.

Total work prior to the granting of the contract from OME consisted of 276 feet of drifting and 8½ feet of drilling.

The first round was drilled and blasted on night shift, Sept. 20, 1961 the drift was advanced on a two shift basis for app. two months when a water course of badly fractured Quartzite was encountered and a water flow of app. 550 gals of water per min. halted the drift advance for app. four weeks.

A supplimentary addition was made in the Pumping Capacity, by installing another 300 gal. per min. pump on the 1000 level pumping station. Drifting was resumed Dec. 6, 1961. Following a short advance and due to another increase in the flow of water, it was decided to try and bypass the zone of heavy water flow. Accordingly the drift was turned to the Northwest, after advancing a distance of 36 feet the flow of water was so great that the Pumping capacity was again overwhelmed, and it became necessary to plug all openings in the face of the drift in order to have some control of the water flow. Drift advance was halted and water drainage continued for a period of 72 days, which was 12 days longer than requested for in the contract application. Altho the water situation was still critical drifting was resumed on February 14, 1962. The first drift round blasted in March of 1962 broke into another fractured water course and required the closing of the water control doors on the 1000 level to keep from flooding the level again. Again the drift was halted for a period of seven days in order for the excess water to drain.

The Quartzite in this area was badly fractured and very blocky this situation made it necessary to timber this section of the drift. Five sets of timber were stood to support the roof and walls. at this point no significant vein structure had been encountered.

On April 9, 1962 a power outage left the Mine without electricity and complete flooding of the 1000 level occured. The loss of the Pumps and other Equipment on the level at the time of flooding was very serious and it was three weeks before additional pumps and other Equipment could be installed and the level dewatered and drifting resumed.

At this point some few small mineralized stringers were beginning to appear. In May 1962 thedrift was turned to the Southwest and the Pocohantas vein was intersected, drifting along the vein was then continued on a two shift basis. The vein is very similar in appearance to the vein showing on the 800 level above. High grade mineralization appears in a somewhat erratic manner throughout this zone.

Sampling and Assaying of the vein was done on a ten foot advance basis as described in the monthly report for May 1962. Drift advance was maintained on a two shift basis throughout July 1962, with the vein beginning to show much stronger mineralization and a more consistant structural width.

From Co-ordinate 4400 the broken rock from the Drift advance was stockpiled and later processed thru the Flotation Mill.

App. 690 dry tons of Drift rock was milled by June 20, 1962 with an average assay value as follows

PB%	ZN%	CU%	AGoz
0.55	3.99	0.15	4.26

As the drift advanced to the west splits in the vein became common with heavy mineralization showing throughout the vein structure.

In July another water course broken into again caused the halting of the drift advance, during this period and until the water flow diminished a stope Raise was started and advanced vertically for a distance of 12 feet, Ore recovered from this activity was stockpiled on the surface for later processing in the flotation Mill.

The Quartzite walls and the back was very blocky and heavy and this section of the drift needed to be timbered solid.

App. 700 tons of Ore was milled in July 1962 from the drift, with averages as follows

PB%	ZN%	CU%	AG oz
0.94	7.81	0.68	6.51

The mineral values had continued to increase as the drift advanced.

Several more working days were lost due to increased water flow, when the drift advance was begun again, the ground was very badly broken and blocky requiring the placing of timber all along the last 100 feet of drift, at this point the drift advance was halted and the breaking of Ore in the back of the drift begun, this was done in order to determine if the Ore deposition was consistant vertically, it was not so another ten feet of drift was driven and then the drift advance was halted and the Mine operations discontinued. All Equipment was then removed from the Mine and the workings allowed to fill with water, at which status it is at currently.

Costs of drifting on the 1000 level were excessive, Pumping of water especially amounted to over $15.00 per foot of drift.

Cost Items broken down are as follows

	Per foot	Total
Direct Drift Labor	$ 15.00	$ 9,900.00
Service Labor	6.50	4,290.00
Pumping	15.00	9,900.00
Hoisting	3.00	1,980.00
Explosives	7.25	4,785.00
Bits and Steel	9.00	5,940.00
Timber		750.00
Engineering and supervision	2.50	1,650.00
Air and Power	2.00	1,320.00
	$ 61.39	$ 40,515.00

The cost of the delays caused by excessive water flows and power failures have not been included in the above figures as they are intangible figures and very hard to estimate.

The potential Ore reserves that were developed thru this OME exploration contract drift on the 1000 level west drift on the Pocohantas vein are estimated as follows.

Due to the hour glass shape of the Ore shoots, both horizantally and vertically, only fifty per cent of the tonnage based on a 3½ foot mining width has been used in this estimate.

Between Co-ordinate 4600 and 4750	= 5,000 tons
Between Co-ordinate 4275 and 4600	=12,000 tons

Total potential ore opened on the 1000 level to the 4275 Co-ordinate could be 17,000 tons of Ore with a value of $20.00 per ton, based on 1962 price of metals.

No estimate was made of the potential ore below the 1000 level horizon, and the figures above are what is estimated to be in place above the 1000 level and below the 800 level at these Co-ordinates only.

Total footage advance of the 1000 level drift amounted to 659.5 feet

Trout Mining Company
OME-6189 Contract 2139
1000 level Assay values

Sample number	Width ft	Silver % oz	Lead %	Zinc %	Copper %
517 C	0.1'	57.2	1.58	54.4	1.75
518 C	0.3	.4.4	0.53	10.5	2.10
519 C	0.4	34.5	1.06	26.8	0.42
520 C	0.85	27.9	0.79	24.6	0.18
521 C	0.4	12.0	0.53	14.7	0.65
522 C	2.7'	7.8	1.06	6.6	0.32
474 C	0.79	12.0	0.85	26.70	2.44
McK 1	0.83	22.8	0.26	20.10	0.68
McK 2	0.7	10.0	1.69	9.60	0.58
477 C	0.9	8.70	0.95	10.30	0.97
523 C	0.39	24.8	0.97	22.10	0.60
524 C	0.3	14.8	0.53	22.60	0.49
525 C	0.47	14.5	1.68	19.20	1.46
526 C	0.275	26.4	3.15	23.50	0.97
527 C	0.43	29.4	6.35	41.10	1.17
528 C	0.60	35.6	3.70	36.60	1.95
529 C	0.83	22.5	1.05	31.10	1.27
530 C	0.87'	30.0	0.42	40.00	0.58
492 C	0.76'	29.90	2.53	38.50	1.56
531 C	0.50'	30.40	1.11	31.40	3.11
532 C	0.70'	34.0	5.28	39.00	1.56
533 C	0.30'	20.8	0.55	33.60	0.29
535 C	0.70'	27.6	1.60	44.80	1.46
536 C	0.60'	39.8	2.65	44.20	0.49
537 C	0.55'	42.5	3.70	35.40	1.27
539 C	0.10'	13.2	3.70	24.70	2.82
540 C	0.40'	22.80	4.20	29.00	0.58
542 C	0.50'	18.0	1.37	36.90	0.39
543 C	0.056'	18.9	3.91	22.00	0.29
553 C	0.50	31.3	7.60	28.80	0.68
554 C	0.40'	50.0	4.33	46.90	1666
555 C	0.60'	44.0	4.75	35.50	1.66
556 C	0.56	40.9	12.88	39.90	1.75
McK	1.16	22.4	1.47	47.10	2.24
566 C	1.40	32.0	4.75	35.80	1.75
567 C	1.50	82.8	2.85	39.10	1.46
572 C	1.45	49.10	3.91	45.80	3.41
574 C	1.57	30.0	2.22	50.20	2.53
575 C	2.43	41.2	1.05	41.40	2.92
578 C	1.70	22.9	1.68	37.91	3.41
579 C	0.67	34.5	2.10	29.60	5.26
581 C	0.60	18.0	2.10	47.50	7.41
582 C	0.60	22.0	0.53	35.00	0.68
584 C	0.56	17.5	2.64	44.40	2.44

Trout Mining Company
OME-6189 Contract 2139
1000 level Assay values

Sample number		Silver, oz.	Lead %	Zinc %	Copper %
590 C		28.5	0.42	36.60	1.36
594 C		37.6	3.17	35.90	2.92
602 C		41.8	9.82	26.50	0.58
603 C		18.0	2.85	46.90	2.14
606 C		37.2	4.12	35.20	2.83
607 C		25.2	1.58	21.80	0.68
608 C		29.7	6.76	34.60	2.53
613 C		50.6	0.74	32.60	4.50
614 C		34.4	1.37	28.70	2.63
	$BaSO_4$				
McK-28	9.15	33.0	1.37	24.70	0.58

Noted
MES
6/7/63

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT CERTIFICATE

I have examined the production and royalty records pertaining to the sale of minerals for the period January 16, 1962, through April 25, 1963, by

Trout Mining Company
Philipsburg, Montana

produced from the Pocahontas, et al., Claims located in Granite County, Montana, on which royalty is payable to the U. S. Government under terms of Contract 14-23-090-2139, Docket OME-6189 (silver-lead-zinc), dated January 16, 1962, as amended.

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

The audit established the total value of production during the period from the area subject to royalty to be $30,885.69. Royalty payable to the Government at the 5 percent rate specified in the contract is $1,544.28. The royalty account of this project at April 25, 1963, was found to be:

Total Royalty Payable	$1,544.28
Total Royalty Paid	1,278.28
Balance of Royalty Due	$ 266.00

C. E. Fisher, OME Auditor

May 6, 1963

RECEIVED
MAY 14 1963
U. S. G. S.
SPOKANE, WASH.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

ROYALTY AUDIT REPORT

I. INTRODUCTION

On April 24 and 25, 1963, an audit was made of the production records of

Trout Mining Company
Philipsburg, Montana

pertaining to production from property referred to as Pocahontas, et al., Claims, located in Granite County, Montana, during the period January 16, 1962, through April 25, 1963, on which royalty is payable to the U. S. Government under terms of Contract 14-23-090-2139, Docket OME-6189 (silver-lead-zinc), dated January 16, 1962, as amended.

The records were made available for audit by C. A. McKinley, general manager, at the Operator's office in Philipsburg, Montana.

II. GENERAL INFORMATION

Article 7 provides that the Operator, whether or not the producer, shall pay to the Government a 5 percent royalty on all minerals and metals mined or produced from the land described in Article 2 and Annex I of the contract from the date of the contract until the lapse of the time within which the Government may issue a certificate of possible production (not later than 6 months after a sufficient final report and final accounting have been furnished) or until the total net amount contributed by the Government to the exploration costs is fully repaid with interest at 6½ percent, whichever occurs first. This Article 7, as amended by Amendment No. 1, provides that in the event of certification of possible production the repayment period shall be 11 years from the date of the contract or until the Government's contribution, with interest, shall have been fully repaid.

Annex I of the contract also includes a special "Agreement Concerning Royalty" which provides that the Operator, <u>as principal if the producer or as surety if not the producer</u>, shall pay to the Government a royalty on production, regardless of where produced, that is transported through any workings or portions thereof to the cost of which the Government has contributed for the same period as described in the contract. This Annex I further provides that in no event shall more than one royalty be due on or paid under this

contract on the same production, except that production from the Elimore (Elimore) and Little Gene claims shall be subject to the payment of royalties under this contract and also under Contract Idm-E591, Docket DMEA-3076, dated December 15, 1953, with American Machine and Metals, Inc., on which certification of discovery or development was issued on June 9, 1958.

Amendment No. 1 to the exploration contract provides for the suspension of work under the contract for the period beginning September 14, 1962, and ending not later than March 1, 1963, and for the completion of the work by July 16, 1964, and further, in the event the work is not so resumed or completed, the Operator is obligated, as principal if the producer or as surety if not the producer, to pay to the Government the royalty provided for in the contract in the same manner, amount, and period as if certification of possible production had been made. Exploration work under the contract had not been resumed as of the date of this audit. The land subject to the provisions of this contract consists of 11 patented mining claims in secs. 29 and 30, T. 7 N., R. 13 W., M.P.M., Flint Creek (unorganized) mining district. The Operator's right to possession of the claims is under the terms of a Grant Deed and other agreements by American Machine and Metals, Inc. (now Ametek, Inc.) which company has executed Lien or Subordination Agreement granting to the Government a lien upon all its right, title and interest in the land to secure the payment of the Government's royalty. All portions of the claims lying above the 800 level (elevation 5,193 feet) of the Algonquin shaft are excluded from the provisions of the contract, except for new veins or deposits and extensions thereof which may be discovered or in part developed directly or indirectly as a result of the work done under the contract. Also excluded are those portions of the Belle, Belle Fractions, and Gem claims east of coordinate 5100 E. and that portion of the Kitty Clyde claim east of the Speckled Trout claim.

As of the date of this audit the Operator has claimed costs of exploration work through August 1962 amounting to $28,823.00. The Government's share of such costs on a 50 percent basis amounting to $14,411.50, less $200.00 withheld pending resumption of the exploration work, has been paid to the Operator.

III. SCOPE OF AUDIT AND FINDINGS

On January 28, 1963, all of the general books and records, including the general ledger, journal vouchers, cash receipts and

disbursements ledger, etc., were forwarded to the Operator's main office at 233 Broadway, New York 7, New York. Among the records sent to New York were the smelter settlement sheets and the records pertaining to lead-zinc stabilization payments received under provisions of Public Law 87-347.

The principal record available at Philipsburg consisted of a book in which mine tonnage production data, including assay data relating to silver, copper, lead and zinc contents of the ore was recorded on a monthly basis. This indicated the source of the ore, that is, whether it was purchased from The Taylor-Knapp Company or was produced from the Operator's property. If the latter, the workings from which recovered was recorded.

Copies of the monthly statements submitted by the Operator in support of royalty payments were made from the OME Washington office files prior to the on-site audit and were verified with the production shown in the mine tonnage record book. A tabulation of these monthly statements is included in my audit work papers.

Examination of the Operator's available records indicated that the only production subject to Government royalty under provisions of this contract consisted of that removed from the 1000 drift and adjacent stopes during the months May through August 1962 consisting of 2,210.10 SDT of ore on the value of which royalty was computed and paid. Mr. McKinley also stated that there had been no other production on which the Government was entitled to royalty under provisions of this contract or Contract Idm-E591, Docket DMKA-3076.

It has been the Operator's long-standing practice to compute the value of the production by first determining the quantities of the various metals through application of the mill-head assay values to the mill-head tonnages. Quantities of silver content in the ore were expressed in ounces and quantities of copper, lead, and zinc have been expressed in short ton units (20 pounds).

Zinc concentrates were sold to The Bunker Hill Company, Kellogg, Idaho, and lead concentrates were sold to American Smelting and Refining Company, East Helena, Montana. When settlements were made by the smelters, the net proceeds, after freight, umpire, and the other usual smelter deductions, were allocated to the various metals in the concentrates included in the settlements. The total value thus assigned to each metal applicable to a month's

production was then reduced to a price per unit (ounce in the case of silver and 20 pound unit in the case of copper, lead, and zinc). These unit prices were then applied to the quantities produced from the various segments entering into the mill-heads during the month. Settlements with Taylor-Knapp and with an independent contractor operating in a part of the Operator's mine were computed on this basis. The computation of royalty paid to the Government was on the same basis.

Although the smelter settlement sheets were not available and I was not in position to verify in detail the computations made, I was able to determine that the procedure followed during the period of production in which the Government was entitled to royalty was the regular company practice and appeared to be equitable to the Government.

The production subject to Government royalty was a part of the production on which the Operator has received lead-zinc stabilization payments under Public Law 87-347. These stabilization payments were based on quantities of lead and zinc in the product sold to the smelter, the sale being considered as consummated during the month the concentrates were received at the smelter. It is not possible to determine the month in which the concentrates were actually sold due to commingling in the milling process.

Records of the General Services Administration indicate, however, that stabilization payments were made for each month January through September 1962 and that no payments have been made for any subsequent month. All of the lead indicated as sold by the Operator was found eligible for stabilization. Zinc sold during the first and second quarters of the year was in excess of the maximum quantity eligible for stabilization and a portion of such sales did not receive the stabilization payment. As the concentrates subject to Government royalty were produced during May through August 1962, for the purposes of this audit, the sales have been considered as being during the second and third quarters of 1962.

Additional royalty due to the Government applicable to proceeds from stabilization payments has been computed as follows:

Quarter	Pounds of metal: Reported	Excess	Subject to stabilization	Rate per pound	Value subject to royalty
		Lead			
2nd	164,804	-	164,804	$.0375	
3rd	96,194	-	96,194	.0375	
Total	260,998	-	260,998		
OME	35,323	-	35,323	.0375	$1,324.61
		Zinc			
2nd	900,335	150,335	750,000	.0165	
3rd	685,624	-	685,624	.0165	
Total	1,585,959	150,335	1,435,624		
OME	267,506	*25,357	242,149	.0165	3,995.46
Total stabilization payment subject to OME royalty					$5,320.07
Royalty due at 5%					$ 266.00

* Computed on basis of ratio of ineligible production to total production of zinc during the second and third quarters of 1962.

IV. CONCLUSION

A condensed summary of the production and sales and the royalty account through April 25, 1963, follows:

	Quantity	Value
Ore production	2,210.10 SDT	
Silver	12,673.87 oz.	$11,511.53
Copper	19,006 lbs.	1,874.48
Lead	35,323 lbs.	1,970.91
Zinc	267,506 lbs.	10,208.70
Total smelter receipts		$25,565.62
Allocable portion of lead-zinc stabilization receipts as explained in Section III above		5,320.07
Total proceeds		$30,885.69
Royalty payable at 5%		$ 1,544.28
Royalty paid		1,278.28
Balance of royalty payable		$ 266.00

As has been explained in Section III of this report the records available for audit at Philipsburg were incomplete; however, all

indications from the available records and from discussion with Mr. McKinley were that all of the production subject to Government royalty has been accounted for and that the royalty paid based on smelter receipts has been computed on a basis that is fair and equitable to the Government. Accordingly, for the purposes of this audit, such settlements have been accepted without further verification of the sales and other records in the Operator's New York office.

C. E. Fisher

C. E. Fisher, OME Auditor

May 6, 1963

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Files DATE: 3/ 7/62

FROM : mls

SUBJECT: Mailing Address

Address all correspondence, etc., to:

C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

(See letter dated 3/ 2/62 from C. A. R. Lambly, President, Trout Mining Company, New York, New York)

Field Office

~~Operator's Copy~~

Noted 6/7/63 JGLS

EXPLORATION CONTRACT
TROUT MINING COMPANY
OME-6189

AMENDMENT NO. 1

It is agreed this 21st day of November, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Trout Mining Company, hereinafter referred to as the "Operator," that Contract No. 2139 (OME-6189), dated January 16, 1962, is amended as follows:

1. Work under the contract shall be suspended during the period beginning September 14, 1962, and ending not later than March 1, 1963.

2. In Article 1(a) of the contract, the period for completion of the work is increased from 24 months to 30 months.

3. In Article 7(b)(2) of the contract, the word "ten" is deleted and the word "eleven" substituted in lieu thereof.

4. No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

5. The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

6. The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

7. It is the essence of this Amendment that the work be resumed and completed on or before the termination of the periods herein fixed for suspension and completion, and if not so resumed and completed in the manner required by this Amendment and the Contract, the following provisions shall thereupon become effective:

(a) The Contract and all obligations of the parties thereunder, except as hereinafter otherwise provided, shall be and are hereby terminated,

RECEIVED
JAN 21 1963
U. S. G. S.
SPOKANE, WASH.

RECEIVED
NOV 26 1962
U. S. G. S.
SPOKANE, WASH.

(i) Effective September 14, 1962, if the work has not been resumed on or before March 1, 1963.

(ii) Effective July 16, 1964, if the work is resumed by March 1, 1963, but is not completed by July 16, 1964.

(b) The Government will contribute only to allowable costs incurred prior to the relevant date set forth in paragraph (a) above.

(c) 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.

(d) 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 its interest in the land), shall pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the contract, as amended, as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the contract with respect to a certification of possible production, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

8. Article 16 of the contract is deleted and the following is substituted in lieu thereof as Article 12 of the Contract:

"Article 12. Nondiscrimination. The provisions governing performance of work under Government contracts, as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract.

"In compliance with the Rules and Regulations (41 CFR, Section 60-1.3(a)) issued under Executive Order 10925 of March 6, 1961, the Operator is hereby bound and agrees to include in each subcontract which it shall make with a subcontractor or supplier paragraphs (1) through (7) of Section 301 of said Executive Order, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

"The Operator shall require each of its subcontractors (first tier) to include in every subcontract with each of its subcontractors (second tier) the following clause: The (here identify the second-tier subcontractor by name) shall incorporate by reference in each subcontract or purchase order with a subcontractor or supplier paragraphs (1) through (6) of Section 301 of Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity."

This amendment shall not be construed to increase the amount of any item designated as maximum, the fixed unit cost of any item of work, the estimated total cost of the contract, or the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Director, Office of Minerals Exploration

TROUT MINING COMPANY

By C A McKinley

Title Genl Mngr

Field Office's Copy

MME Form 50
Feb. 1959

JAN 22 1962

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

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6189	Silver-Lead-Zinc	14-23-090- 2139	Granite	Montana

It is agreed JAN 16 1962 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Trout Mining Company, a Delaware corporation

whose mailing address is Philipsburg, Montana, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before March 16, 1962 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within ~~24~~ 30 (Amend 1) months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $ 77,610.00. The Government will contribute 50 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 38,805.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(c) Interest computation.--Simple interest computed annually at the rate of 6 ~~1/2~~ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) 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 rights in land.--(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 right 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 lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 7 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, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws 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) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--(a) 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. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. 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 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 related costs.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of the same 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. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--The Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. This provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract, or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first. eleven (amend)

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" 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.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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) Lien for payment.--To secure the payment of royalty (see Article 7(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. Termination of the Government's obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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:

(1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

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 9 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 13.

ARTICLE 10. Notices to be given by the Government may be delivered to the Operator, or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 11. 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.

See Article 15

~~ARTICLE 12. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.~~

~~The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.~~

ARTICLE 13. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 14. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 15. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 16. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B. [Deleted by Amend. 1 See Amend. 1 for substitution to article 12.]

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

SHOUT MINING COMPANY
(Operator)

By Chas A. Lambly

Title President

By George Turnitt
Director, Office of Minerals Exploration

I, Alphonse Kenison (Name), certify that I am the secretary of the corporation named as Operator herein; that Chas. A. B. Lambly (Name), who signed this contract on behalf of the Operator, was then President (Title) 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.

Alphonse Kenison

[CORPORATE SEAL]

INT.-DUP. SEC., WASH., D.C. 52370

EXPLORATION CONTRACT
TROUT MINING COMPANY
OMS-6189

ANNEX I

The land referred to in Article 2 of the contract consists of eleven (11) patented mining claims, including all rights pertaining thereto, in secs. 29 and 30, T. 7 N., R. 13 W., M.P.M., Flint Creek (unorganized) mining district, Granite County, Montana. The names of the claims, survey number, lot number, and the section where located are as follows:

Claim	Survey No.	Lot No.	Sec.
Algonquin	506	51	30
Belle	737	62	29
Belle Fraction	10803		29
Derby	10338		30
Elinore (Elsmore)	10338		30
Gem	84	37	29 & 30
Kitty Clyde	1085		30
Little Gem	10861		30
Pocahontas	1085		30
Trout	1085		30
West Algonquin	10861		30

The locations of the claims with reference to known mining shafts and accessible lines in the exploration area are shown in green on Plate 1 "Property Map" attached hereto and made part hereof.

The Operator has rights to possession of the claims under the terms of a Grant Deed, dated December 16, 1958, and other agreements, dated January 29, 1960, and December 28, 1960, by American Machine and

Metals, Inc., a Delaware corporation, the mailing address of which is 233 Broadway, New York 7, New York. In these instruments the American Machine and Metals, Inc., retains an interest in production from the claims.

A Lien or Subcontination Agreement executed by the above-named grantor is attached hereto and made part hereof.

The Kilmore (Kilmore) and Little Sam claims listed in Annex I and the production therefrom are subject to the provisions of Contract No. Ike-3991, between the United States of America and American Machine and Metals, Inc., dated December 15, 1953, as amended (Docket No. DMA 3076), and certification of discovery or development issued thereunder on June 9, 1958. Such certification shall remain in effect whether or not certification of possible production from said claims is issued as a result of the exploration work under this contract. Royalties payable under this contract are in addition to and independent of royalties under said Contract No. Ike-3991.

A special "Agreement Concerning Royalty" is added as follows:

Notwithstanding the certification provisions of Article 7 and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on production, regardless of where produced, that is transported through any workings to the cost of which the Government has contributed, or any portion of said workings, for the same period as is described in Article 7 (b) (2) of the contract and pursuant to the terms of Article 7 (c) et seq. However, in no event shall more than one royalty be due on or paid under this contract on the same production, except that production from the Kilmore (Kilmore) and Little Sam claims shall be subject to the payment of royalties under this contract and also under the aforesaid Contract No. Ike-3991.

Excluded Land

All portions of the above-listed claims lying above the 300 level (elevation 5,103 feet) of the Algonquin shaft are excluded. However, this provision does not apply to new veins or deposits and extensions thereof which may be discovered or in part developed directly or indirectly as a result of the work done under this contract. These portions of the Bulls, Bulls Fraction, and Sun claims east of coordinate 5100 E. and that portion of the Kitty Clyde claim east of the Special Trout claim as shown on Plate 1 are totally excluded. This provision does not exclude land subject to the royalty provisions of Contract Ike-3991 -- American Machine and Metals, Inc., dated December 15, 1953, as amended (DMA Docket No. 3076).

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator: Trout Mining Co.
Docket No. 139 OME —
Contract No. 14-23-090- 2139
Contract Date

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Granite State of Montana,

described as follows: 2/ the following described patented mining claims situated in Secs. 29 and 30, T. 7 N., R. 13 W., M.P.M. in Flint Creek mining district to wit: Algonquin (U.S. Survey 506, Lot 51), Belle (U.S. Survey 73, Lot (2) Belle Fraction (U.S. Survey 10203), Derby (U.S. Survey 1033), Elmore (Elmore) (U.S. Survey 1033), Gem (U.S. Survey 84, Lot 37), Kitty Clyde (U.S. Survey 1025), Little Gem (U.S. Survey 10201) Pocahontas (U.S. Survey 1025), Trout (U.S. Survey 1025) and West Algonquin (U.S. Survey 10281).

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

Trout Mining Company, a Delaware corporation 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance 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/

2. 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.

3. 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 blank.)

Royalties on all minerals mined or produced from the Elmore (Elmore) and Little Gem claims, due the U.S. under the terms of Contract No. 14-2591 (Docket No. MMA 3076, American Machine and Metals, Inc.) as amended.

1/ 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 _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. 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 true copies of such notice; and

5. 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.

6. Added provisions _____ (State "None" or "See Annex No. _____".)

Dated this 15th day of January, 1962.

AMETEK, Inc., formerly
AMERICAN MACHINE AND METALS, INC.

By: President (Seal) — 233 Broadway (Street) — New York 7, New York (City & State)
(title)

APPLICANT SHOULD NOT SIGN

_____ (Seal) — _____ (Street) — _____ (City & State)

_____ (Seal) — _____ (Street) — _____ (City & State)

_____ (Seal) — _____ (Street) — _____ (City & State)

_____ (Seal) — _____ (Street) — _____ (City & State)

_____ (Seal) — _____ (Street) — _____ (City & State)

I, Alphonse Menison (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that C. V. Anderson (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., 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.

Alphonse Menison
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C.
95181

State of Delaware

Office of Secretary of State.

I, Elisha C. Dukes, *Secretary of State of the State of Delaware,* **do hereby certify** that the "AMERICAN MACHINE AND METALS, INC.", filed a Certificate of Amendment changing its corporate title to "AMETEK, INC.", on the thirtieth day of November, A.D. 1961, at 4 o'clock P.M.

In Testimony Whereof, *I have hereunto set my hand* and official seal at Dover this thirtieth day of November in the year of our Lord one thousand nine hundred and sixty-one.

Elisha C. Dukes

Secretary of State

Ass't Secretary of State

FORM 122

EXPLORATION CONTRACT
TROUT MINING COMPANY
OME-4189

EXHIBIT A

The purpose of this project is to explore by means of drifting and underground drilling for possible silver-lead-zinc ore bodies in the downward and lateral extensions of the Pennsylvania vein in the Cambrian Flathead and the Precambrian Spokane quartzite formations.

The geologic structures in the project area are shown on Plate 3 "Geological Map and Longitudinal Sections" attached hereto.

General Provisions

The drift shall be timbered as necessary, using standard drift sets with a minimum timber size of 8 x 8 inches, or equivalent round timber. In the working area mine rails shall not be less than 12-lb., air lines not less than 3-inch, water lines not less than 1-inch, and ventilation pipe not less than 12 inches in diameter.

In diamond drilling to the water channels the holes shall be not less than NX standard core size (1-5/8 inch diameter) and the holes for exploration not less than AX core size (1-1/8 inch diameter).

All significantly mineralized areas traversed in the drift shall be sampled normal to their trends at linear intervals of not more than 10 feet.

Samples shall be taken of drill cores showing significant mineralization; also, facilities shall be provided for the collection of diamond drill sludges in significantly mineralized areas. Where the core recovery is less than 60 percent the sludges shall be sampled. The sludge samples, in addition to the corresponding core segments which have been recovered, shall be used for assaying purposes. Samples of drill core or sludge (as stipulated above) shall represent not more than 5-foot length of drill hole.

Each sample shall be split as necessary and then assayed for silver, lead, and zinc. The Operator shall store one split in a suitable container properly identified as to location. The drill core not required for sample purposes shall be stored in properly identified core boxes with markers placed in the sections to indicate the depth represented. The stored samples and core shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples and core.

Geological logs of the drill holes and true copies of assay certificates for all samples shall be submitted with the Operator's monthly progress report which shall also include a map or sketch showing the work completed during the reporting period and the location and assay values of the samples.

The Government will not participate in the cost of any incomplete diamond drill holes.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

The work shall consist of extending the West drift off the North crosscut from the 1,000 level station of the Algonquin shaft not more than 1,500 feet in a westerly direction on or near the Pocahontas vein structure. The drift shall not be less than 5' x 7' in cross section in the clear of timber.

At approximately 300-foot intervals along the drift, starting at a point 300 feet west of the crosscut mentioned above, cut 5 diamond drill stations. The drill stations shall be of such depth and height that 10-foot lengths of rod may be pulled.

From the first and fourth stations a series of short holes shall be diamond drilled into the water courses shown to the west of each station. It is estimated that an aggregate of 200 feet of drilling will be required at each water course. From each station, including the first and fourth, holes approximately 100 feet in depth shall be diamond drilled into each wall of the drift. The holes shall be drilled at angles slightly above horizontal and on bearings normal to the strike of the vein.

The approximate location and the extent of the work are shown in red on Plate 2 "Algonquin 1000 Level" attached hereto and made part hereof.

The Government will contribute to no more than 1,500 feet of drifting; 100 feet of timbering; 40 feet of crosscutting and 16 feet of raising for drill stations; 1,400 feet of core drilling, 320 feet of reaming and casing, 50 core boxes, and 300 sample assays.

Estimated Cost of Project

Actual Costs

Category (1) Independent Contracts

Diamond drilling:

Water drainage holes

Mobilize and demobilize equipment - 2 periods @ $700.00 each period	$1,400.00		
400 feet BX core size diamond drilling @ $7.00/ft.	2,800.00		
200 feet reaming and casing @ $3.50/ft.	700.00	$4,900.00	

Exploration holes

Mobilize and demobilize equipment	$ 700.00		
1,000 feet AX core size diamond drilling @ $6.50/ft.	6,500.00		
120 feet reaming and casing or cementing and redrilling @ $3.25/ft.	390.00	$ 7,590.00	$12,490.00

Fixed Unit Costs

Drifting, 1,500 feet @ $41.00/ft.		$61,500.00	
Timbering, 100 feet @ $8.00/ft.		800.00	
Excavating 5 drill stations,			
Crosscutting, 40 feet @ $35.00/ft.	$1,400.00		
Raising, 16 feet @ $20.00/ft.	320.00	$ 1,720.00	

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

50 wooden core boxes @ $4.00 each	$ 200.00	
300 assays for silver, lead, and zinc @ $3.00/sample	900.00	$65,120.00
Total Estimated Cost of Project		$77,610.00
Government Participation @ 50%		$38,805.00

RECEIVED
FEB 12 1973
O. M. E.
SPOKANE, WASH.

FEB 7 1973

Trout Mining Company
c/o Mr. John R. Engel
Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

By the terms of the subject Exploration Contract, as amended, and the certification of discovery or development dated December 19, 1963, all minerals mined or produced or transported through workings to the cost of which the Government contributed in accordance with the special "Agreement Concerning Royalty" in Annex I of the contract, from January 16, 1962, to January 16, 1973, were subject to the Government's royalty as set forth in said contract.

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

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to: AMETEK, INC.,
233 Broadway, New York 10007

cc: Director's reading file
Mineral Resources
OME reading file
Region I

Br. Financial Rpts.
Mr. Kirkemo
130
HKirkemo/cac 2/7/73

RECEIVED
FEB 12 1973
O.M.E.
SPOKANE, WASH.

FEB 7 1973

AMETEK, Inc.
233 Broadway
New York, New York 10007

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

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

This correspondence relates to the Lien or Subordination Agreement dated January 15, 1962, signed by Mr. C. W. Anderson, president of your corporation.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's reading file
Mineral Resources
OME reading file
Region I
Mr. Kirkemo
130

HKirkemo/cac 2/6/73

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 16, 1973

RECEIVED
JAN 19
O. M. E.
SPOKANE, WASH.

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., claims
Granite County, Montana
Contract 2139

As stated in your Annual Royalty Inspection memorandum dated September 19, 1972, the Government's lien on future production from the subject property extends until January 16, 1973, and the property now is leased to Mr. Frank M. Antonioli, 724 South Western Avenue, Butte, Montana 59701.

We are forwarding today to Mr. Antonioli an MME Form 63 for a report on possible production for the period January 17, 1972, to January 16, 1973. After he completes and returns the form, we plan to advise the Operator that the contract is closed. If you concur in this action, please sign the duplicate copy of this memorandum and return it for our records.

Harold Kirkemo

Harold Kirkemo

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 19, 1972

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual Royalty Inspection
OME-6189 (silver-lead-zinc)
Trout Mining Company
Pocahontas, et al., claims
Granite County, Montana
Contract 2139

I learned from a Mr. Frank Neal (sp.?) in Philipsburg, Mont., on Monday, Sept. 11, 1972, that there has been no activity at the Pocahontas mine this past summer. The property now is leased to Mr. Frank M. Antonioli, 724 South Western Avenue, Butte, Mont., 59701.

The Government's lien on future production from the mine extends until January 16, 1973.

Willard P. Puffett

cc: DRF

WPuffett/at

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 22, 1971

MEMOMANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6189 (Silver-lead-zinc)
Trout Mining Company
Pocahontas, et al., claims
Granite County, Montana
Contract 2139

I visited the home of Mr. James R. Hunter, Philipsburg, Mont., on Saturday, Sept. 18, 1971, and learned that Mr. Hunter and others had only recently obtained their prospectus of the Hunter Mining Company. Mr. Hunter was not at home, but Mrs. Hunter promised to send me a copy of the prospectus when others became available.

No work has been done at the mine the past year, but I assume that work is being planned for the coming year if the stock offering, as described in the prospectus, is favorably received by the public.

The Government's lien on future production from the mine extends until Jan. 16, 1973.

Willard P. Puffett

cc: Director

Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

TELEPHONE (212) 425-5200
CABLE ADDRESS "PLASTROOCK"

RECEIVED
SEP 24 1970
O. M. E.
SPOKANE, WASH.

OFFICIAL COPY
SEP 3 1970

WASHINGTON, D. C. 20036
1100 CONNECTICUT AVENUE, N.W.
TELEPHONE (202) 293-1990
CABLE ADDRESS
PLASTROOCK-WASHINGTON, D. C.

PARIS 8e, FRANCE
18-20 PLACE DE LA MADELEINE
TELEPHONE 742-23-33
CABLE ADDRESS
PLASTROOCK-PARIS

September 1, 1970

Mr. Harold Kirkemo
Chief, Office of
Minerals Exploration
United States Department of the Interior
Washington, D. C. 20242

Copy to R-5

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Kirkemo:

In response to your letter of July 24, 1970 I enclose herewith two copies of an amendment to the lease and the option, dated October 14, 1969, between Trout Mining Company, lessor, and James R. Hunter, lessee.

The enclosed amendment is designed to protect the Government's interest in royalty on production as required by the OME contract.

Very truly yours,

John R. Engel

John R. Engel

JRE:vf

Enclosure

R-I

THIS AMENDMENT to the Lease and Option, dated October 14, 1969, by and between TROUT MINING COMPANY, a Delaware corporation, with its principal office at 233 Broadway, New York, New York, and JAMES R. HUNTER, whose address is Post Office Box 421, Philipsburg, Montana, is entered into this 26 day of August, 1970.

It is hereby agreed that the following paragraph shall be added to the Lease and Option as Paragraph 23:

"23. The parties hereto acknowledge that pursuant to an exploration contract (the "Contract"), dated January 16, 1962, between the Lessor herein and the United States of America, acting through the Department of the Interior, Office of Minerals Exploration (hereinafter called the "Government"), the Government has the right to receive certain royalties, as set forth in the Contract, on all production from certain specified patented mining claims (included among the mining claims which are the subject of this Lease and Option) and on all production transported through workings to the cost of which the Government contributed. Lessor hereby agrees to pay royalties to the Government according to the terms of said Contract and Lessor hereby grants to the Government a lien upon all of its right, title and interest under this Lease and Option to secure

the payment to the Government of the royalties provided for by said Contract."

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first above written.

TROUT MINING COMPANY

BY: Kenneth E. Lewis

James R. Hunter

James R. Hunter

STATE OF MONTANA)
: ss.:
COUNTY OF GRANITE)

On this 26 day of August, 1970, before me, the undersigned, a Notary Public for the State of Montana, personally appeared JAMES R. HUNTER, known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Witness my hand and official seal this 26 day of August, 1970.

Agnes M McDonald
Notary Public

AGNES M. McDONALD
Clerk and Recorder
Granite County

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 21ST day of AUGUST, 1970, before me personally came BERNARD E. BRANDES to me known, who, being by me duly sworn, did depose and say that he is the TREASURER of TROUT MINING COMPANY, the Corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the Board of Directors of said Corporation.

Witness my hand and official seal this 21ST day of AUGUST, 1970.

John R. Engel
Notary Public

JOHN R. ENGEL
Notary Public, State of New York
No. 31-1116585
Qualified in New York County
Commission Expires March 30, 1971

[redacted]

RECEIVED
JUL 27 1970
O. M. E.
SPOKANE, WASH.

JUL 24 1970

Mr. John R. Engel
Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Engel:

Thank you for the 2 copies of the lease dated October 14, 1969 between Trout Mining Company, lessor, and James R. Hunter, lessee.

We note that the lease fails to provide notice to the lessee of the Government's right to a royalty on production and liens for the payment thereof as set forth in Article 2(c) of the OME contract.

Please take appropriate steps to protect the Government's interest in royalty on production as required by the contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
cc: James R. Hunter
Post Office Box 421
Philipsburg, Montana

Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region I- w/cy incoming Lease & Option
Mr. Kirkemo
130

HKirkemo/bal 7/24/70

Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

TELEPHONE (212) 425-5200
CABLE ADDRESS "PLASTROOCK"

ROBERT D. ABBOTSON
OF COUNSEL

WASHINGTON, D. C. 20006
1100 CONNECTICUT AVENUE, N. W.
TELEPHONE (202) 296-1000
CABLE ADDRESS
PLASTROOCK-WASHINGTON, D. C.

PARIS 8e, FRANCE
10-20 PLACE DE LA MADELEINE
TELEPHONE 742-20-20
CABLE ADDRESS
PLASTROOCK-PARIS

July 15, 1970

OFFICIAL COPY

17

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington, D. C. 20242

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Kirkemo:

Thank you for a copy of the contract and related documents in the above matter.

I enclose herewith two completed copies of the Request for Information together with two copies of the lease granted in October 1969.

Very truly yours,

STROOCK & STROOCK & LAVAN

By: John R. Engel
John R. Engel

JRE:hk
Encl.

P-I

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

May 25, 1970

Re: OMB-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Mr. Charles R. Lambly
President
Trout Mining Company
233 Broadway
New York, New York 10007

OFFICIAL COPY
O. & G. F.
RECEIVED
JUL 17 1970
INITIALS | CODE

Dear Mr. Lambly:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since January 22, 1969, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes [X] No [ ]

See attached Lease and Option, dated October 14, 1969, between Trout Mining Company and James R. Hunter

2. Since January 22, 1969, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since January 22, 1969, has any production been transported through workings *(see* Annex I, page 2, *of contract)*? Yes [ ] No [X]

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

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Robert J. Coffman	Assistant Treasurer
Address	*Date*
233 Broadway, New York, N.Y.	July 15, 1970

ORIGINAL COPY
O. & G.
RECORD
JUL 17 1970
INITIAL

L E A S E A N D O P T I O N

THIS LEASE AND OPTION TO PURCHASE, made this 14th day of October, 1969, by and between TROUT MINING COMPANY, a Delaware corporation, with its principal office at 233 Broadway, New York, New York, hereinafter called LESSOR, and JAMES R. HUNTER, whose address is Post Office Box #421, Philipsburg, Montana, hereinafter called LESSEE,

W I T N E S S E T H:

It is mutually agreed by and between the parties hereto as follows:

1. PROPERTY LEASED WITH OPTION:

For and in consideration of the payments to be made by Lessee and the covenants and agreements to be observed and performed by Lessee, the Lessor does hereby lease, let and rent unto the Lessee, with option to purchase, upon the terms and conditions hereinafter specified, the following described mining claims situate in Township Seven (7) North, Range Thirteen (13) West, Montana Principal Meridian, in Granite County, Montana, to wit:

Name of Mining Claim	Survey Number
Gem	84
Speckled Trout	373
Pocahontas	373
Trout	373
Kitty Clyde	373
Providentia	373
John Coyle	9630
Torrit	9630
Algonquin	505
Belle Fraction	10203

Name of Mining Claim	Survey Number
Bear No. 2	2075
Belle	737
Brooklyn	2404
Dead Horse	4435
Franklin No. 2	157
Levi Burr	940
Phiminco	10202
Little Gem	10281
West Algonquin	10281
Bernard	10281
Derby	10336
Elienore	10338
Free Silver	10716

together with all ore dumps located thereon, SUBJECT, however, to the rights of Peter J. Antonioli, Frank M. Antonioli and William F. Antonioli, their successors and assigns, under a certain Agreement, Bill of Sale and Ground Lease dated February 11, 1964 by and between said individuals and the Lessor herein.

Lessee hereby agrees to explore, develop and operate said demised properties on the terms and conditions hereinafter specified.

2. TERM OF LEASE AND OPTION:

This lease and option shall run for a term of ten (10) years from the date hereof upon the terms and conditions hereinafter set forth unless sooner terminated as hereinafter provided.

3. INTERESTS OF LESSOR:

All royalties and payments hereunder shall be paid to:

Trout Mining Company
233 Broadway
New York, New York 10007

4. ROYALTIES AND MINIMUM PAYMENTS:

(a) Lessee shall pay to Lessor, as royalty upon all ores that may be mined, shipped or sold from the demised premises, eight (8) percent of all net smelter returns on all ores. By net smelter returns is meant the aggregate amount received for such ores after deducting therefrom the direct cost of smelting and freight or haulage charges from the mine to smelter. In case Lessee shall receive any other amounts from the sale of such ores over and above the settlement made by the smelter, Lessee shall pay to Lessor the same percentage for such additional receipts as specified in the above scale of royalty for lots for which the settlement is made. With all payments of royalties on ores or concentrates, Lessee shall submit to Lessor a copy of the settlement sheets showing the number of wet tons sold, the moisture content, and the percentage of values in each lot for which settlement is made, together with a statement of the amount received for each lot.

(b) Lessee shall make all payments and settlements of royalties hereunder monthly, on or before the fifteenth day of each month, for all ores mined, shipped or sold during the preceding calendar month.

(c) After one year from the date hereof, Lessee shall pay to Lessor monthly, during the remainder of the term of this lease and option, on or before the fifteenth day of each month (i) the royalties for the preceding calendar month to which

Lessor is entitled pursuant to subparagraphs (a) and (b) above or (ii) the sum of one thousand dollars ($1,000.00), whichever is greater.

(d) Lessee's failure to comply with any of the provisions of subparagraphs (a), (b) or (c) above shall be cause for termination of this lease and option.

5. OPTION TO PURCHASE:

Lessee shall have the right and option, but shall not be required, at any time during the term hereof, or during any extension of such term, to purchase the interest of Lessor in and to said mining claims for the sum of one and one-half million dollars ($1,500,000.00); but in the event that Lessee shall exercise such option to purchase, such purchase price shall be reduced to the extent of all payments of royalties theretofore made to Lessor hereunder; such option may be exercised by the delivery to Lessor of written notice of Lessee's election to make such purchase. Within thirty (30) days after the delivery of such notice, Lessor shall deliver to Lessee an abstract of title showing title good and merchantable, free of all liens and encumbrances other than current real estate taxes not in default. Such abstract of title charges and expenses shall be paid by Lessee. In case the title, on examination by Lessee, is found materially defective within thirty (30) days after abstract of title is furnished, then, unless the material defects be cured within ninety (90) days after written notice thereof, Lessee shall be

under no obligation to conclude the purchase of the property, but Lessee at its' option may, nevertheless, accept the title subject to any defect so found. In case Lessee shall have so exercised its' option and if title is found good or is accepted by Lessee, then Lessor shall be obligated to sell said mining claims to Lessee upon the payment of the balance of the purchase price due and owing. Lessor in such case agrees to deliver to Lessee a quitclaim deed or its equivalent.

6. LESSEE TO PAY TAXES AND ASSESSMENTS:

Lessee shall pay, before delinquent (a) all taxes and assessments levied against any machinery, equipment, improvements or other property placed upon said mining claims by or at the request or direction of the Lessee, his agents or representatives, (b) all license and net proceeds taxes which may be levied by authority of law on the business of mining said premises, or upon the ores or proceeds therefrom, and (c) all taxes and assessments levied against any machinery, equipment, improvements or other property located on said mining claims from the date of purchase or other acquisition of same by Lessee.

7. OPERATION OF THE PREMISES:

The demised premises shall be worked separately from all other lands and all ore mined or removed therefrom shall be kept segregated from all other ores mined by Lessee until the weight and value thereof shall be determined.

8. INSPECTION OF MINE:

The Lessor, through his authorized representatives, shall at all times during the term of this lease have the right to enter upon and inspect the premises and all workings thereof, together with the beneficiating plant or plants used in connection therewith and to make any survey that may be deemed necessary either for the purpose of checking the amounts of ores mined or for an examination of the physical condition of the properties, workings, plants and buildings.

9. CONDUCT OF OPERATIONS:

Lessee shall enter upon the demised premises on or before January 1, 1970, and shall thereafter work the same in a manner necessary to good and economical mining so as to take out the greatest possible amount of commercial ore free from waste, having due regard to the safety, development and preservation of said premises as a workable mine, and shall sink at least 200' of shaft below the present 1,000' level within the first two years and a minimum of 100' each year thereafter during the term of this lease and option, with stations and drifts adequate to mine the existing ore. Lessee shall perform or cause to be performed a minimum of one hundred (100) shifts per month on the demised premises during the term hereof. Lessee further agrees to purchase and rehabilitate the mill existing on the property within three years from the date hereof, or if not available, to erect at least a 100 ton mill on the property within three years from the date hereof, to treat the ore. Lessee hereby covenants and agrees that he will

sufficiently timber said mine at all points where proper and shall repair all old timbering wherever it shall be necessary in order to preserve the mine in workable condition, all in accordance with good mining. He shall keep all drifts, shafts, tunnels and workings in good condition and repair and will keep the same drained and clear of loose rock and debris. He shall adequately fence, cover or otherwise protect all shafts, cuts or other surface openings made or used by him under this lease and option.

10. MAPS AND MINING DATA:

Lessee shall furnish to Lessor a copy of all maps and plats of the workings which Lessee shall cause to be made for his own purposes and agrees to furnish to Lessor at least annually an accurate map showing the results of surveys and all workings and geological data developed during each yearly period of operations, all without cost to Lessor.

11. BOOKS AND ACCOUNTS:

Lessee shall keep a complete and separate set of books, records and accounts in accordance with generally accepted accounting principles, covering all phases of its operation of the demised premises, which will include, without limitation, records of the amount of ores extracted from said mine, the amount of ores shipped, sold or treated, costs and expenses, the amount of money received for said ores and the values extracted therefrom. Lessor or its authorized representatives shall have full and free access to said books, records and accounts of Lessee at all

reasonable times. If any dispute shall arise out of the maintenance of Lessee's books, records and accounts or any matter shown therein, and in the event such dispute is not resolved by the parties hereto, then the dispute shall be resolved by Lessor's independent certified public accountant, whose determination shall be final and binding on the parties hereto.

12. DISPOSAL OF WASTE, REFUSE AND MINE WATER:

Lessee shall make such provision for the disposal of waste, refuse and mine water from the mine or mines on the demised premises so that the same shall not be a nuisance nor injure the property of Lessor or of others, nor obstruct or contaminate any stream, nor obstruct any right-of-way or other means of transportation or travel on the lands of Lessor or others.

13. LABOR AND MATERIALS AND SHIPPING CHARGES TO BE PAID BY LESSEE:

Lessee shall, at his own cost and expense, furnish all labor, materials and supplies necessary for the proper operation of the demised premises under this lease and option, and Lessor shall in no event be liable for any costs of freight and treatment, or otherwise incur any liability to any person by reason of the execution and delivery of this lease and option, except to deliver possession of the demised premises to Lessee for mining and development by him in accordance with the terms hereof.

14. LIENS:

Lessee shall, when due, fully pay for all machinery, equipment and materials adjoined to or affixed to the demised

premises and shall, when due, pay in full and persons who perform labor upon said premises, and shall not permit or suffer any lien of any kind or nature to be attached to said premises for any work done or machinery, equipment or materials furnished thereon at the instance or request or on behalf of Lessee.

15. STATE AND FEDERAL ENACTMENTS AND CITY ORDINANCES:

Lessee, in the operation and development of the demised premises, shall observe and comply with all applicable Federal and state laws, safety regulations and city ordinances, and shall comply with the laws of the State of Montana with reference to Workmen's Compensation, and shall insure and keep insured under the provisions of sai Workmen's Compensation Law, all persons employed by Lessee, during the term hereof.

16. LIABILITY INSURANCE-INDEMNITY:

(a) Lessee agrees that simultaneously with the execution of this lease and option he will furnish to Lessor and will keep in full force and effect during the term hereof, and any extension or renewal hereof, comprehensive liability insurance in a company or companies acceptable to Lessor insuring Lessee and Lessor, their heirs, successors and assigns against any and all liability, cost, expense and damage on account of injuries, including death, suffered by any person or persons, and on account of damage to or destruction of property of others, which may result because of any act, omission or operation of Lessee, its agents, employees or representatives, in the conduct of its operations in, on, or in connection with the demised premises, or in carrying on the work contemplated hereunder; such comprehensive liability insurance to be not less than the following amounts, to wit:

Bodily injury, including death, $100,000 for each person with a maximum of $500,000 for any one occurrence; aggregate property damage of $50,000. Such policy or policies of insurance, or a certificate or certificates of such insurance, duly executed by the insurance carrier, shall be delivered to and retained by Lessor. Lessee hereby agrees to pay, when due, all premiums accruing on such insurance.

(b) Lessee agrees to, and does hereby indemnify and hold harmless Lessor from and against any and all damages, liabilities, liens, claims, demands, costs, causes of action and suits at law or in equity claimed or asserted by any person, firm or corporation whatsoever, in any way growing out of this lease and option, or because of the operations or the carrying on of the work contemplated hereunder.

17. LESSOR TO BE GIVEN NOTICE OF LITIGATION:

Lessee shall promptly notify Lessor in writing of the institution of any litigation involving the rights granted by this lease and option, and in the event Lessor is, in its judgment, in any way interested therein, it may, at its option, enter into the conduct and defense of such litigation to the extent it may deem advisable.

18. DEFAULT BY LESSEE:

Time is of the essence of this agreement, and in case the Lessee shall fail to keep and perform all or any one of the covenants and agreements herein written and contained, to be by him or his part performed, in the manner, from and at the time as herein agreed, then Lessor may, at its option, and upon thirty (30) days' notice in writing to Lessee, specifying the default causing the termintation, declare this lease and option terminated and at an end, and all the rights of the Lessee shall cease and be wholly terminated and at an end;

provided, however, that if within said thirty-day period Lessee shall remedy such default this lease and option shall not terminate and provided further that the parties agree that failure to do the required minimum number of shifts per month cannot be remedied under this provision.

A waiver by Lessor of a particular breach of any covenant or agreement shall not be deemed or held to be a waiver of or affect any other breach or impair its rights resulting therefrom.

19. SURRENDER OF PROPERTY:

Upon the termination of this lease and option for any cause, Lessee shall immediately surrender unto Lessor all of the premises herein demised without delay or hindrance and the Lessor shall have the right immediately upon the expiration or termination howsoever of this lease and option to enter upon the premises aforesaid and to take immediate possession thereof without declaration of forfeiture, act of re-entry or process of law.

20. REMOVAL OF EQUIPMENT:

Lessee shall have the right to remove from the demised premises, within a period of ninety (90) days from the termination hereof, all machinery, tools and other equipment placed thereon by him, but not buildings, hoisting frames, rail or other fixtures which shall become a part of said premises, and unless so removed within said period the same shall immediately become the property of Lessor. Lessee shall be liable for any damage caused by the removal of his property from the demised premises. Lessee shall not remove or impair any supports, mine props or mine timbers which may be necessary for the protection of any openings of such mine or mines.

21. HOW NOTICES TO BE GIVEN:

All Notices given or required to be given under the terms of this lease and option shall be in writing, sent by United States mail with postage thereon prepaid; and shall be addressed as follows:

Notices to the Lessor shall be addressed to Trout Mining Company, 233 Broadway, New York, New York 10007.

Notices to the Lessee shall be addressed to James R. Hunter, Post Office Box #421, Philipsburg, Montana.

In lieu of mailing such notices they may be served personally upon the parties to whom they would otherwise be mailed. Notices shall be deemed given and received upon being deposited in a United States Post Office address and with postage thereon as above set forth.

22. SUCCESSORS AND ASSIGNS:

This lease and option shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns; PROVIDED, HOWEVER, that the Lessee shall, except upon written consent of the Lessor, retain the responsibility for the management of the operation under this lease.

IN WITNESS WHEREOF, the said parties have hereunto set their hands the day and year in this agreement first above written.

LESSEE:

James R. Hunter

James R. Hunter

LESSOR:

TROUT MINING COMPANY

BY: Charles R. Hambley

STATE OF MONTANA)
: ss
County of Granite)

On this 14th day of October, 1969, before me, the undersigned, a Notary Public for the State of Montana, personally appeared JAMES R. HUNTER, known to me to be the individual described in and who executed the foregoing instrument, and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 14th day of October, 1969.

Notary Public for the State of Montana
Residing at Philipsburg, Montana
My commission expires 12-29-69

STATE OF CALIFORNIA)
) SS.:
COUNTY OF SAN FRANCISCO)

Chas. A. R. Lambly, being first duly sworn, deposes and says:

1. That the foregoing instrument was executed by the Trout Mining Company, a Delaware corporation, as of October 14, 1969 in the State of California, County of San Francisco.

2. That at the time the foregoing instrument was executed, he was the duly elected President of said Trout Mining Company.

3. That he executed the foregoing instrument as his own free and voluntary act and deed and the act and deed of the said corporation.

4. That no corporate seal is affixed to the foregoing instrument as, to his knowledge, no seal was or is required.

5. That his act of executing and delivering the foregoing instrument was duly authorized by the Directors of said corporation.

Dated this 1 day of June, 1970.

Chas. A. R. Lambly

Chas. A. R. Lambly

Subscribed and sworn to before me and In Witness Whereof, I have hereunto set my hand and affixed my official seal this 1st day of June, 1970.

Maxine E. Loewenstein

Notary Public

MAXINE E. LOEWENSTEIN
NOTARY PUBLIC IN CALIFORNIA
CITY & COUNTY OF SAN FRANCISCO
My Commission Expires May 25, 1972

(NOTARIAL SEAL)

July 10, 1970

RECEIVED
JUL 15 1970
O. M. E.
SPOKANE, WASH.

Mr. John R. Engel
Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

Re: OMS-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Engel:

This will acknowledge receipt of your letter of July 7, 1970, wherein you state that your firm is general counsel for Trout Mining Company.

Accordingly, we enclose a copy of the subject OMS contract, as amended, certification, and letter advising AMETEK, Inc., of the certification. We hope that upon receipt of this material you can furnish us with the information requested of the Operator in our letter of May 25, 1970.

Please refer to our letter to you dated June 19, 1970, and our request for two copies of a lease granted in October 1969.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OMS docket
OMS Reading File
OMS Region I w/cy letter July 7, 1970
Mr. Kirkemo
130

HKirkemo/gla 7-10-70

Copy-R-I

PETER I. B. LAVAN
COUNSEL

HERMAN BADILLO
BERNARD E. BRANDES
LEWIS G. COLE
WALLACE E. COWAN
MORTON L. DEITCH
MARTIN D. EILE
FRANKLIN FELDMAN
NORMAN HAMMER
ALVIN R. HELLERSTEIN
CHARLES B. HOCHMAN
SAMUEL HOFFMAN
CARL I. KANTER
GILBERT LAZERUS
BERNARD LILES
DAVID LUBART
JEROME A. MANNING
ERWIN MILLMET
CHARLES G. MOERDLER
WILLIAM A. PERLMUTH
MAXWELL M. RABB
SEYMOUR RABINOWITZ
HOWARD SCHNEIDER
MILTON N. SCOFIELD
DAVID SHER
JULIUS M. SHERMAN
ROBERT D. STEEFEL
RONALD J. STERN
ALAN M. STROOCK
CHARLES R. TAINE
WILLIAM J. VANDEN HEUVEL
ARTHUR WITTENSTEIN

Stroock & Stroock & Lavan

61 Broadway
New York, New York 10006

TELEPHONE (212) 425-5200
CABLE ADDRESS "PLASTROOCK"

ROBERT B. ANDERSON
OF COUNSEL

WASHINGTON, D. C. 20036
1100 CONNECTICUT AVENUE, N. W.
TELEPHONE (202) 293-1960
CABLE ADDRESS
PLASTROOCK-WASHINGTON, D. C.

PARIS 8e, FRANCE
19-20 PLACE DE LA MADELEINE
TELEPHONE 742-23-33
CABLE ADDRESS
PLASTROOCK-PARIS

July 7, 1970

RECEIVED
JUL 15 1970
G.M.D.
BUREAU OF MINES

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington, D. C. 20243

Re: OME - 6189 (Silver-Lead-Zinc)
Trout Mining Company
Contract 2139

Dear Mr. Kirkemo:

In reply to your letter of June 19, 1970, I wish to advise you that we are general counsel for Trout Mining Company and have acted as such for more than the past ten years. Neither I nor the Company can locate a copy of the contract to which you refer in your request for information dated May 25, 1970. In order to complete our files and assist me in furnishing you with the information requested, I would appreciate your sending me a complete copy of such contract.

If there are any expenses involved, we will certainly pay them.

Very truly yours,

STROOCK & STROOCK & LAVAN

By [signature]
John R. Engel

JRE/bd

RECEIVED
JUN 22 1970
SPOKANE, WASH.

JUN 19 1970

Mr. John R. Engel
Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

Re: OMM-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Engel:

In reply to your letter of June 12, 1970, we would be glad to furnish you with a copy of the subject contract upon receipt of written authority from the Trout Mining Company, Operator, to release the document to you. In the interest of more quickly serving your purpose and in the event you are acting as agent for the Trout Mining Company, we suggest that you consult or obtain a copy of the contract from the Operator.

We wrote to the Operator on May 25, 1970, as we had received no reply to our letter of January 16, 1970, requesting information on changes in the status of ownership, lease, or sublease, and on any production. With respect to changes in ownership, lease, or sublease, the Operator is obligated under Article 2(c) of the contract to furnish to the Government two true copies of any instrument transferring, surrendering, or encumbering any rights in the property. You mention in your letter that a lease was granted in October 1969. Under provisions of the contract, two copies of the lease should be furnished to the Government.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I w/cy letter June 12, 1970
Mr. Kirkemo
130

HKirkemo/gla 6-19-70

Stroock & Stroock & Lavan
61 Broadway
New York, New York 10006

TELEPHONE (212) 425-5200
CABLE ADDRESS "PLASTROOCK"

ROBERT S. ANDERSON
OF COUNSEL

WASHINGTON, D. C. 20006
1000 CONNECTICUT AVENUE, N. W.
TELEPHONE (202) 296-1000
CABLE ADDRESS
PLASTROOCK-WASHINGTON, D. C.

PARIS 8e, FRANCE
10-20 PLACE DE LA MADELEINE
TELEPHONE 742-33-36
CABLE ADDRESS
PLASTROOCK-PARIS

June 12, 1970

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington, D. C. 20242

Re: OML-6189(Silver-Lead-Zinc)
Trout Mining Company
Contract 2139

Dear Mr. Kirkemo:

Your letter of May 25, 1970 addressed to Mr. Lambly of Trout Mining Company, 61 Broadway, New York, New York has been referred to us for reply. I cannot find in our files a copy of the contract to which you refer and I would appreciate your sending me a copy of such contract to assist us in furnishing the requested information. I am advised at this time, however, that the Company's property has been inactive since January 22, 1969 and remains inactive under a lease granted in October, 1969.

Many thanks for your assistance in this matter, and I apologize in advance for any inconvenience my request may cause you.

Very truly yours,

STROOCK & STROOCK & LAVAN

By: John R. Engel
John R. Engel

JRE:hk

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

MAR 22 1965

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: EMEA-3076 (Manganese)
American Machine and Metals, Inc.
Mullen Mine
Granite County, Montana
Contract Idm-8591
and
OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

We have just received one copy of a lengthy Lease and Agreement, dated November 24, 1964, from the Trout Mining Company. Under the lease The Taylor-Knapp Company takes over the properties of the Antoniolis and the Trout Mining Company. The next time you are in Philipsburg, it might be well to stop at The Taylor-Knapp office and look over the maps to which the lease refers and discuss the matter of royalties with regard to the Trout Mining Company property.

George C. Selfridge

Enclosures

RECEIVED
MAR 26 1965
OME

MME
Forms 63
filed on contract side
of docket

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

AMETEK, Inc.
233 Broadway
New York 7, New York

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Gentlemen:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien or Subordination Agreement signed by Mr. C. W. Anderson, president of your company, on January 15, 1962.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FMMurphy/mm/gla
12/19/63
cc: Director's Reading File
Region I
Docket

RECEIVED
DEC 26 1963

Certification filed on contract file of docket.

So. 157 Howard Street
Spokane, Washington 99204
December 16, 1963

Air Mail

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary, Washington, D. C.

From: Acting Field Officer, Region I

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

There is enclosed Check No. 785 dated December 12, 1963, in the amount of $515.35 from Trout Mining Company covering the balance due the Government in the amount of $515.35, as disclosed by the Report of Review dated November 5, 1963, for the period February 1962 to August 1962. The original of the Report of Review was forwarded to your office on November 12, 1963.

D. R. MacLaren

Enclosure

cc: OME(2)
CA&A
Voucher file

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

So. 157 Howard Street
Spokane, Washington 99204
December 10, 1963

Air Mail

Mr. Eddie Johnson
Accountant
Trout Mining Company
233 Broadway
New York 7, N. Y.

Re: OME-6139 (Silver-Lead-Zinc)
Pennsylvania, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Johnson:

Thank you for your letter of December 6, 1963. Refund checks and, when due, royalty checks, should be made payable to the Office of Minerals Exploration and mailed to this office.

We apologize for the omission of this information from our letter of November 12, 1963, which was originally addressed to Mr. McKinley.

Sincerely yours,

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

cc: OME(2) w/cys incoming
CAAA "
Voucher file w/cy incoming

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

233 BROADWAY
NEW YORK 7, N.Y.

December 6, 1963

U. S. Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 99204 Washington

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

Re: OME-6189 (Silver-Lead-Zinc)

Dear Sirs:

We are ready to send our check for $515.35 requested in your letter of November 12, 1963 (photocopy attached). Will you please advise as to whom the check should be made payable.

Very truly yours,

Eddis Johnson
Accountant

EJ/ap

cc: G. A. Swennumson

RECEIVED
DEC 10 1963
U.S.G.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
November 12, 1963

Mr. C. A. McKinley
General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

There is enclosed one copy of a Report of Review dated November 5, 1963, covering the subject contract for the period February 1962 to August 1962.

The Report of Review discloses that a balance in the amount of $515.35 is due the Government. Your prompt remittance will be appreciated.

Sincerely yours,

D. R. MacLaren

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

Enclosure

RECEIVED
DEC 10 1963

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 11/19/63

TO:	DATE	INITIALS
Chief, Div. of Field Operations		
1. ~~Chief, Contract Audit & Admin. Div.~~		
2.		
3.		
4.		
5.		
FROM: ~~D. R. MacLaren, Acting Fld. Offr.~~		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS:

OME-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Mont.
Contract 2139

Report of Review dated 11/5/63 re. cited contract has been sent to the New York address of the Trout Mining Co. per instructions in letter 11/18/63 from Philipsburg, copies attached.

INT.-DUP. SEC., WASH., D.C. M56300-62

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

November 18, 1963

PHILIPSBURG, MONTANA

Mr. R. D. MacLaren
Acting Field Officer OME
Region 1
SO. 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren;

I am returning your letter of the 12th of November 1963, will you please address all future communications to, this Company to the following address.

Trout Mining Company
233 Broadway
New York 7, New York
Care of Mr. Swennumson, Comptroller

Thanking you for the courtesy and help that has been extended to us here in Philipsburg in the past.

Yours Truly

C A McKinley

C. A. Mc Kinley
Trout Mining Company

RECEIVED
NOV 19 1963

No. 137 Howard Street
Spokane, Washington 99204
November 12, 1963

Air Mail

Memorandum

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

From: Acting Field Officer, Region I

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

There is enclosed the original of a Report of Review dated November 5, 1963, covering the subject contract for the period February 1962 to August 1962.

One copy of the report has been sent to the Operator and one copy retained in the Spokane office files.

D. N. MacLaren

Enclosure

cc: OME(2)
CA&A
Voucher file

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

Filed contract side of docket

Sc. 157 Howard Street
Spokane, Washington 99204
November 12, 1963

Mr. C. A. McKinley
General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

There is enclosed one copy of a Report of Review dated November 5, 1963, covering the subject contract for the period February 1962 to August 1962.

The Report of Review discloses that a balance in the amount of $515.35 is due the Government. Your prompt remittance will be appreciated.

Sincerely yours,

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

Enclosure

cc: OME(2)
CA&A
Voucher file

Director's reading file
Resources Research Branch Chief

MLSmelser:mls

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

Off. to go out
[illegible]

NOV 6 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Contract Administration and Audit Division

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

As requested by your October 29 memorandum, a Report of Review covering the subject contract has been prepared. The original and two copies are enclosed.

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the Report of Review should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division.

Your letter to the Operator should include a request for prompt remittance of the $515.35 balance due to the Government.

Enclosures

RECEIVED
NOV 12 1963
U.S.G.S.
SPOKANE, WASH.

No. 157 Howard Street
Spokane, Washington 99204
October 29, 1963

Memorandum

To: Chief, Contract Administration and Audit Division

From: Acting Field Officer, Region I

Subject: OMM-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract #139

Work under the subject contract was terminated effective September 14, 1962, under the provisions set forth in Amendment No. 1, item 7(a)(i).

Some of the units of work completed by the Operator were incorrectly accepted by the Acting Field Officer as conforming to contract specifications. Erroneously accepted were the following:

Fixed Unit Cost

Crosscutting	15.5 feet
Raising	16.0 "
Drift timbering	100.0 "
Sample assays	54 each

After checking the points raised in your memorandum of September 27, 1963, I agree that, regardless of their locations, the propriety of accepting the 15.5 feet of crosscutting and 16 feet of raising is questionable since no drilling was ever done. Actually, it was good operation to put in the drill station crosscuts as the drift was advanced and await its completion before doing the exploration drilling. It was not until the afternoon of September 10, 1962, that we had any inkling that the company intended asking for a recess and unhappily the crosscutting was approved in the June and July vouchers. In approving the raising vouchered in August, I simply overlooked the fact that approval would not be proper should work not be resumed and the drilling therefore not be done. Both the 15.5 feet of crosscut and the 16 feet of raising should probably be disallowed on audit.

When Mr. Selfridge and I visited the mine September 11, 1962, a check measurement of the drifting and timbering was made with a 100-foot cloth-metallic tape; 100-foot measuring intervals were marked by dropping rocks at the foresight end and "eyeball" vertical determinations of the backsite location. My measurement indicated about 11 feet more of drifting than the Operator has claimed, but as his measurements were made with a steel tape between plumb-line measuring points, his total drifting in the amount of 659.5 feet should be accepted.

Three timbered sections were measured as follows:

Section 1 - Start of CME work to end of timber	19.6 feet
Section 2 - Sta 1166 + 104 ft to +123 ft	19.0 "
Section 3 - Sta 1166 + 328 ft to +419 ft	91.0 "

The March Narrative Report accounts for 33 feet of timber installed in section 1, but 12.5 feet was in workings easterly from the CME starting point. The entire 33 feet required the timber, but I am not sure that timbering the 12.5 feet of pre-CME drift can be charged to the contract even though it was installed after CME work started.

Before any timber was installed in section 2, the drift had been advanced more than 190 feet beyond the now timbered section; this 19 feet of timber was not necessary until the 1046 stope raise had been started, and therefore should be disallowed.

In section 3 the July Narrative accounts for 2 lead sets, totalling 12 feet of timbered section, that were necessary to hold badly fractured ground and were installed prior to starting the 1043 stope the following month; these are acceptable. The acceptable timbering in each section appears to be:

Section 1	19.6 feet or possibly	32.1
Section 2	0 "	0
Section 3	12.0 "	12.0
Total	31.6 feet or possibly	44.1

The narrative reports and the maps indicate that only 7 samples from stopes or stope raises were assayed and included in the 54 assays claimed; no assays of samples from crosscuts have been claimed. However, the narrative and assay list accompanying the May voucher

indicate that 6 of the 17 assays claimed were taken on a basis of mineral boundaries where the vein zone was first cut. As I understand paragraph 3, General Provisions, Exhibit A, of the contract, it is possible that these six assays are acceptable. Certainly one of them, Sample No. 502 is acceptable.

In view of the above, the number of work units completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications should have been:

Drifting	658.5 feet	
Drift timbering	31.6 "	(possibly 44.1)
Sample assays	42 each	(possibly 47)

An acceptable final engineering and geological report was received from the Operator on October 23, 1963.

A Report of Review, in lieu of a final audit, is in order and requested. The original and two copies of the final (August 1962) MME-60 and MME-61, together with supporting documentation, were sent to the Chief, Fiscal Section, on September 20, 1962.

D. R. MacLaren

cc: OMB(2)
Voucher file
MacLaren

Director's reading file
Resources Research Branch Chief

DRMacLaren:mls

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

October 21, 1963

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
South 157 Howard Street
Spokane Washington 99204

Re: OME - 6189
Contract 2139

Dear Mr. MacLaren:

I am enclosing herewith, final narrative report of the above numbered OME contract. You will find five copies each of the following.

Narrative
Geologic Maps
Assays
Tonnages

Thanking you for your patience in this matter,
I remain

Yours Truly

C A McKinley

C. A. Mc Kinley
Trout Mining Company

RECEIVED
OCT 23 1963
U.S.G.S.
SPOKANE, WASH.

2 Thy copies to DC
1 to Mac's file

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

SEP 27 1963

Memorandum

To: Acting Field Officer, Region I

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

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

A preliminary review of the subject Operator's vouchers and reports has revealed several matters that will require clarification before preparation of a Report of Review in lieu of a final audit. Accordingly, the inclusion in your forthcoming request for a Report of Review of comments and recommendations on the following problems will be sincerely appreciated:

1. The contract provides for no more than 40 feet of crosscutting and 16 feet of raising for the excavation, to such depth and height that 10 foot rods may be pulled, of 5 diamond drill stations at approximate 300-foot intervals along the drift and at the approximate locations shown on Plate 2 attached thereto. The Operator has claimed 15.5 feet of crosscutting consisting of a 12.5 foot drill station at coordinate 4650 E, which is about midway between two approximate locations shown on Plate 2, and a 3 foot crosscut at coordinate 4400 E, which is also between two approximate locations and not of depth sufficient for pulling 10 foot rods.

The Operator also has claimed the raising maximum of 16 feet on the basis of a 12 foot "stope-raise" at about coordinate 4600 E, which is only about 50 feet from one crosscut and 200 feet from the other crosscut, and a 9 foot "exploratory raise-stope" at about the 4310 E coordinate, which is only about 90 feet from one of the crosscuts and also about midway between two locations shown on Plate 2. Aside from the question of whether these 4 drill stations meet the contractual specifications, the propriety of acceptance for contribution by the Government is also questionable because no diamond drilling was performed by the Operator.

2. The contract provides a maximum of 100 feet of timbering as necessary for the 1,500 feet of drifting. The Operator has claimed 100 feet of timbering in the 658.5 feet of drifting performed. It appears that most, if not all, of the 52 feet of timbering claimed by the Operator during August 1962 was for drift sets placed under the 1043 and 1046 stopes and, therefore, incidental to the Operator's mining operations rather than the exploratory drifting.

3. The contract provides for the assay of samples from significantly mineralized areas of the drift and drill cores only. The Operator has claimed a total of 54 assays, but it appears from the monthly reports that some of the assays covered samples taken from the mining stopes. Also, it appears that a few may have been from the raises and crosscuts which are questioned under item 1 above.

RECEIVED
SEP 30 1963
USGS
Spokane, WASH.

So. 157 Howard Street
Spokane, Washington 99204
September 10, 1963

Mr. C. A. McKinley
General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

Regarding the requirements of a final report, I can only direct your attention to Article 5(c), Final Report of the cited contract, particularly, to the phrase in parentheses at the end of the first sentence.

A geologic and engineering summary of the work performed under the contract can be compiled from the monthly narrative reports submitted. Similarly, a single map comprising the separate sketches submitted with the monthly narrative showing the assays of samples following the sample numbers would probably meet the requirement for complete assay data and adequate maps; it would also serve as a basis for an ore reserve estimate. A summary showing the totals of the various items of work (drifting, timbering, assaying, etc.) with the actual cost and contract cost of each would round out the report and probably satisfy the balance of the requirements.

In summary of the above, the report need not be elaborate but should be a complete statement of what was done, where, at what cost, and with what results and should be accompanied by an illustrative map.

As soon as an acceptable report is received, a Report of Review, in Lieu of a Final Audit, will be requested, after which any balance of funds, including the $200 withheld from payment on your August 1962 voucher, will be released.

Sincerely yours,

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

DRMacLaren:mls
cc: OME(2) w/cys incoming
Reading copies to:
Nolan; Kilsgaard

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

Sept. 6, 1963

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
So. 157 Howard Street
Spokane Washington 99204

Re: OME-6189
Trout Mining Company
Contract 2139

Dear Mr. MacLaren;

In reference to your letters of the 5/29/63 and the 9/3/63, I must ask your forgiveness for being so tardy with an answer. I have referred your letter to the New York Office, to find out if they perferred to have the final report sent from there, but as they have not indicated who they wanted to send it, I will make it out and send it from this office.

As all monthly reports were meticulus and made out in every detail plus the inclusion of all maps etc. that were required, and cost reports, I am a little at a loss to figure out just what your office requires in a so called final report. If you would be so kind as to send to me some sort of an outline of what is wanted, I will be very happy to send the report to you.

Respectfully Yours

C A McKinley

C. A. Mc Kinley
Trout Mining Company

RECEIVED
SEP 9 1963
U. S. G. S.
SPOKANE, WASH.

So. 157 Howard Street
Spokane, Washington 99204
September 3, 1963

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: OMM-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

I wrote to you May 29, 1963, requesting that you submit an Operator's final report in accordance with Article 5(c) of the contract. I had hoped to be able to discuss this matter with you during visits to Philipsburg May 20 and July 18 and 19, 1963, but found the office closed.

I would appreciate it if you would advise me when the report may be expected.

Sincerely yours,

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

DRMacLaren:mls
cc: OMM
Reading copies to:
Nolan
Killagnerd

No. 157 Howard Street
Spokane 4, Washington
May 29, 1963

Mr. G. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: GSS-6169 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

In my letter of May 3, 1963, I should have requested you to submit an Operator's final report in accordance with Article 3(c) of the contract. I have been advised that the report must be received before we can make a decision concerning certification.

I was in Philipsburg the afternoon of May 28 and stopped by the office, but I guess it was too late in the day.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, GSS
Region I

Miscellaneous

cc: GSS
Reading copies to:
Helen
McKinley

Sa. 157 Howard Street
Spokane 4, Washington
May 14, 1963

Mr. C. A. McKinley, General Manager
Trent Mining Company
Philipsburg, Montana

Re: GMR-6189 (Silver-Lead-Zinc)
Trent Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

There are enclosed one copy each of a Royalty Audit Certificate and Royalty Audit Report, dated May 6, 1963, covering the subject contract during the period January 16, 1962, through April 25, 1963.

Payment of the balance of royalty due in the amount of $266.00, as shown by this Royalty Audit Report, is requested.

Sincerely yours,

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

Enclosures

DRMacLaren:mg

cc: GMR(R)
CA&A
CFF
Reading copies to:
Holme
McKelvey

No. 157 Howard Street
Spokane 4, Washington
May 14, 1963

Memorandum

To: Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington 25, D. C.

From: Acting Field Officer, Region I

Subject: OMM-6189 (Silver-Lead-Zinc)
Trent Mining Company
Pennsylvania, et al., Claims
Granite County, Montana
Contract 8135

Enclosed are the originals of a Royalty Audit Certificate and a Royalty Audit Report, dated May 6, 1963, covering the subject contract for the period January 16, 1962, through April 25, 1963.

One copy of the certificate and audit report has been sent to the Operator, and one copy of each has been retained in the Spokane office files.

D. R. McLaren

Enclosures:

DRMcLaren:my

cc: OMM(R)
CMAA
CFF
Sending copies to:
Nolan
McAlvey

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

MAY 9 1963

Memorandum

To: Acting Field Officer, Region I

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

E D Talbert

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

The original and two copies of a Royalty Audit Certificate and Royalty Audit Report covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy for the Operator; and
(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the Operator's copy should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosures

RECEIVED
MAY 14 1963
U. S. G. S.
SPOKANE, WASH.

No. 157 Howard Street
Spokane 4, Washington
May 3, 1963

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Foushenatna, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

Thank you for your letter of May 1, 1963, advising us that the Company has no plans for resuming OME contract work other than the rather indefinite ones we discussed during my recent visit to your office.

As called to your attention in my letter of March 27, 1963, the contract is automatically terminated effective September 14, 1962, as provided under item 7(a)(i) of Amendment No. 1. Under the terms of item 7(d) of the same amendment, royalty is due the Government on any production or sale of mineral from the land described in Article 2 of the contract, during the period January 16, 1962, to January 16, 1975.

We wish to thank you for your interest in the OME program and to express our regrets that you were unable to carry out your project to its completion.

Sincerely yours,

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

DRMacLaren:ny

cc: OME
Reading copies to:
Nolan
McKelvey

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

PHILIPSBURG, MONTANA

May 1, 1963

Mr. D. R. McClaren
Acting field officer, OME
Region 1
So. 157 Howard Street
Spokane 4, Washington

Dear Mr. McClaren;

I apologize for the delay in answering your letter of 3/27/63, but the delay was unavoidable.

Work on the OME-6189 (Silver, Lead and Zinc) Contract was not resumed by March 1, 1963, and at this time no plans have as yet been made for resumption at any future date.

On your visit here in the recent past, we talked of this. All reports, royalty payments, assays and all other data concerning this Contract have been forwarded to you, and the only thing remaining to be done is the final overall report after your office decides either to Certify or to decertify any discovery on work already done under this Contract.

Thanking you for your consideration in this matter,

I remain Yours Truly

C A McKinley

C.A.McKinley
General Manager
Trout Mining Company

drmacClaren:
carlambly:

RECEIVED
MAY 3 1963
U S G. S.
SPOKANE, WASH.

No. 157 Howard Street
Spokane 4, Washington
March 27, 1963

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

The period of recess granted by Amendment No. 1 to the above OME contract expired March 1, 1963. If the contract work was not resumed on or before that date, the contract is automatically terminated, effective September 14, 1962, as provided under item 7(a)(i) of the Amendment.

Will you kindly advise us whether work was resumed on or before March 1, 1963, and if not, when we may expect to receive an Operator's final report and final account, as provided in item 7(a). If work was not resumed by the date mentioned, the terms of item 7(d) are in effect, and royalty is or will be due the Government on any production or sale of mineral from the land described in Article 2 of the contract, during the period January 16, 1962, to January 16, 1973.

Sincerely yours,

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

DRMaclaren:ny

cc: OME(2)
CPF
Reading copies to:
Halem
McKelvey

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	1/21/63	
2.		
3.		
4.		
5.		
FROM: D. R. MacLaren, Act. Fld. Offr. Region I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Government's, Fiscal Section's, and Audit's copies of Amendment No. 1 to subject contract, signed by Operator.

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

January 18, 1963

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer
OME, region 1
S. 157 Howard St.
Spokane 4, Washington

Dear Mr. MacLaren:

I wish to apologize for the delay in returning the enclosed copies of the OME extension agreement. They had to go to New York for our attorney's inspection and then back to the Philipsburg office for my signature before mailing to you.

Thanking you very much for your consideration of this matter, I remain,

Yours truly,

C A McKinley

C. A. McKinley
General Manager

CAMcK:BT

RECEIVED
JAN 21 1963
U. S. G. S.
SPOKANE, WASH.

So. 157 Howard Street
Spokane 4, Washington
January 17, 1963

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract #139

Dear Mr. McKinley:

On November 26, 1962, we sent you the original and four copies of a proposed contract Amendment No. 1, which has not been returned as requested in our accompanying letter.

If the amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office. If the amendment is not satisfactory, please return all copies to this office unsigned, with a statement of your proposed changes for consideration.

An early reply will be greatly appreciated.

Sincerely yours,

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

MKourtjay

cc: OME
Reading copies to:
Nelson
McKelvey

So. 157 Howard Street
Spokane 4, Washington
November 26, 1962

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Poosmontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

Enclosed are the original and four copies of a proposed Amendment No. 1 to the subject contract, signed by the Director of OME for the Government.

If the amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned with a statement of your proposed changes for consideration.

Sincerely yours,

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

Enclosures

DRMacLaren:my

cc: OME
Reading copies to:
Nolan
McKelvey

WWAF FSP 52 /SUS DUPE/ I-MME

SPOKANE WASH 11-26-62 1650U

MR GEORGE C SELFRIDGE CHIEF DIVN OF FIELD OPERATIONS OFFICE OF MINERALS EXPLORATION DEPT OF INTERIOR WASH D C

REURLETS NOV 21, 1962, OME 6189, TROUT MINING COMPANY, AND OME 6141, PACIFIC MINERALS & CHEMICAL INC., WHERE SHOULD I SIGN AMENDMENTS AS REQUESTED IN THIRD PARAGRAPH OF EACH LETTER

D R MACLAREN OFFICE OF MINERALS EXPLORATION REGION 1

CFM 21 1962 OME 6189 6141

HLC 1655U

RECEIVED
NOV 27 1962
U. S. G. S.
SPOKANE, WASH.

XXXLXXXX-096B

JY065-

WJB086-FSP WWAF 046 I-MME

WASHINGTON DC 11-27-62 1522R

FTS TELETYPE

1962 NOV 27 PM 12 53

ACTING FIELD OFFICER

OFFICE OF MINERALS EXPLORATION SPOKANE WASH

REURTT 11-26-62 DISREGARD INSTRUCTIONS IN THIRD PARAGRAPH OF LETTERS TRANSMITTING AMENDMENTS RELATING TO OME 6141 AND 6189

GEORGE C SELFRIDGE CHIEF DIVN OF FIELD OPEATIONS

VLW 1526R

RECEIVED

NOV 28 1962

U S G. S.
SPOKANE, WASH.

OR file

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

NOV 21 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Enclosed are the original and four copies of a proposed Amendment No. 1, signed by the Director for the Government. Also enclosed is an extra copy for your use.

In view of your memorandum of October 2, 1962, it was decided to include a special agreement relating to royalty in this amendment.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by you and the Operator. Thereafter, please distribute the copies in the usual manner.

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

George C. Selfridge.

Enclosure

RECEIVED
NOV 26 1962
U S G. S.
SPOKANE, WASH.

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

NOV 2 1 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Enclosed are the original and four copies of a proposed Amendment No. 1, signed by the Director for the Government. Also enclosed is an extra copy for your use.

In view of your memorandum of October 2, 1962, it was decided to include a special agreement relating to royalty in this amendment.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by you and the Operator. Thereafter, please distribute the copies in the usual manner.

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

George C. Selfridge

Enclosure

RECEIVED
NOV 26 1962
U. S. G. S.
SPOKANE, WASH.

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

OCT 26 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Your October 22 memorandum regarding the subject Operator's August MME Form 60 requests advice as to the correctness of withholding funds and your method of indicating such withholding.

It was proper to withhold funds under the circumstances and your method of indication was acceptable. Although a total of $425.00 was paid out of 14X0108, as indicated on the September report of fiscal transactions, only $225.00 was remitted to the Operator. The $200.00 balance was deposited in 14X6875(01), a suspense account.

The $200.00 withheld will be remitted to the Operator upon your future instruction to the Department's Fiscal Section. This may be done upon submission of the first MME Form 60 after resumption of work. If work is not resumed the $200.00 will remain in suspense pending termination of the contract, submission by the Operator of a final report, and release of a Report of Review.

George C. Selfridge.

RECEIVED
OCT 30 1962
U S G. S.
SPOKANE, WASH.

So. 157 Howard Street
Spokane 4, Washington
October 22, 1962

Memorandum:

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OMX-6189 (Silver-Lead-Zinc)
Trout Mining Company
Foothentac, et al., Claims
Granite County, Montana
Contract 2139

You will recall that when we visited the Trout mine September 11, 1962, work had stopped and the water door on the 1100 level was about to be closed. September 17 I received their voucher for August. In his letter transmitting the voucher, Mr. McKinley requested an amendment authorizing a recess, which is now being prepared.

In view of the above, I included a footnote 3 after the total amount of the voucher, which was approved to date, requesting that $200.00 be withheld pending resumption of work. According to the Monthly Report of Fiscal Transactions for September, the full amount was paid.

Please advise me if it was incorrect to withhold funds under these circumstances or if the method of indicating such withholding was incorrect.

D. R. MacLaren

DRMacLaren:my
cc: OMX
CFF
Reading copies to:
Nolan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
October 2, 1962

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: GMS-6189 (Silver-Lead-Zinc)
Treat Mining Co.
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Referring to your memorandum of September 27, 1962, a rapid compilation of assay data comprising arithmetical (unweighted) averages of vein width and assay values indicates three shoots of ore grade material on the level, only one of which could be considered to be of minable width. Two raises indicate that the vein width narrows a few feet above the level.

Between co-ordinates 4595E and 4502E, assays of 11 samples indicate a grade of 27.87 ounces silver per ton, 1.28 percent copper, 2.55 percent lead, and 35.22 percent zinc over an average vein width of only 0.54 feet. At the east end of this zone, raise 1046 was driven 24 feet above the level; at the head of the raise the vein narrowed to 0.3 feet.

Between co-ordinates 4278E and 4407E, assays of 19 samples indicate a grade of 36.30 ounces silver per ton, 2.66 percent copper, 3.18 percent lead, and 38.87 percent zinc over an average vein width of 1.03 feet. A stope near the west end of this shoot was taken up to a height of 10 feet above the level where the vein pinched to 0.4 feet wide.

Within the latter zone, between co-ordinates 4356E and 4370E, there is a shoot from which 7 samples indicate a grade of 40.00 ounces silver per ton, 2.53 percent copper, 2.56 percent lead, and 42.66 percent zinc over an average width of 1.60 feet. Two of the 7 samples came from a stope, one at a height of 16 feet above the sill, the other at 19 feet; vein widths for these samples were respectively 1.5 feet and 1.4 feet. Thus, even in this case the vein appears to be thinning out above the level.

The 1000 level drift west is mostly in the Spokane formation. Until raises have been carried higher to demonstrate what if any changes

may occur in vein width as the contact between the Spokane and the overlying Flathead is approached and/or crossed, it might be straining to certify a discovery at this time, although possibly it could be done.

D. R. MacLaren

DRMacLaren:my
cc: ONE
CPF
Reading copies to:
Nolan
McKelvey

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

Memorandum

SEP 2 7 1962

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

We have the September 14 letter of the Operator requesting a recess until March 1, 1963. We shall, therefore, prepare the necessary amendment.

However, before we take any action, will you kindly advise us whether you can recommend certification at this time for the project. Of course we do not wish to certify at this time, but if we can, then it will not be necessary to incorporate a royalty agreement in the amendment.

W P Zimmerman

RECEIVED
OCT 2 1962
U. S. G. S.
SPOKANE, WASH.

So. 157 Howard Street
Spokane 4, Washington
September [illegible] 1962

Memorandum

To: Director

From: Chief, Division of Field Operations

Subject: DMA-A[illegible] (Manganese)
The Taylor-Knapp Company
Trout Closure Mine
[illegible] County, [illegible]
Amended Contract Id[illegible]-[illegible]

We visited both the Taylor-Knapp and the Trout Mining Co. properties while in Philipsburg. We were most fortunate in seeing underground at the Trout mine, as they are stopping all work for the lack of finances. An exploration man for Hecla was visiting their office during our stay.

At Taylor-Knapp we were shown estimated royalty figures through September. Actual royalties due are approximately $6000, and estimated royalties, $4000. The company expects to pay these royalties with funds received from the lead-zinc subsidy program. The company has its application finished for submittal to Washington. It estimates that approximately $10,000 should be received for this year. It is suggested that OMA be informed of the royalty indebtedness and that sufficient funds be withheld to meet all DMEA royalties due. The company has lost all but possibly one of the contracts it had with the uranium producers. Their market is now limited to battery-grade manganese. Whether funds received from the lead-zinc subsidy program will carry them for the next two or three years is problematical.

cc: Balbert

Trout docket

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Fiscal Section, Divn. of Admin. Serv., Office of the Sec'y	9/20/62	
2.		
3.		
4.		
5.		
FROM: D. R. MacLaren, Act. Fld. Offr. Region I		

FOR: Check items for action desired

X Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., claims
Granite County, Montana
Contract 2139

Voucher, progress report, and narrative for month of August, 1962.

September 14, 1962

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S 157 Howard Street
Spokane 4, Washington

RE: OME 6139 (Silver-Lead-Zinc)
Pocahontas, et. al. claims
Granite County, Montana

Dear Mr. MacLaren:

Enclosed are four (4) copies of our reports for the month of August and four (4) copies of each assay certificate from the Montana Laboratory Company covering 8 samples.

Due to present economic conditions this mine will be shut down until further notice. This includes the OME drifting contract, Company stopes and the lead-zinc-silver Mill. This Company requests permission for a cessation of work agreement until March 1, 1963.

Sincerely,

TROUT MINING COMPANY

C. A. McKinley

C. A. McKinley
General Manager

CAMcK:AWH

RECEIVED
SEP 17 1962
U S G S
SPOKANE, WASH.

OME Narrative Report for August, 1962
Trout Mining Company
Docket No. OME 6189
Contract No. 2139

The 1000 Drift West was advanced 10 feet along the Pocahontas vein on a general heading of due west to coordinate 4278E. Drifting has advanced a total of 659.5 feet to date.

Three working days were lost because of drift flooding. Because of a large volume of water encountered July 27 at the 4288E face, drifting was not resumed until August 23. 10 feet of vein was drifted on through highly fractured ground. From 4285E to 4278E, the two veins previously reported split into three veins. At the breast the south vein was 0.4 feet wide, the middle vein 0.9 feet wide and stringery, the north vein was 0.3 feet wide. The south vein and middle veins had a southerly dip, the north vein was dipping 90°.

The 1046 raise was advanced 12 additional feet during August. The vein pinched to 0.3 feet and mining was halted. The 1043 stope was blasted during August. From coordinates 4394E to 4376E the stope was blasted 10 feet above the back of the drift until the vein pinched to 0.4 feet. Additional cuts were made in the back from coordinates 4297E to 4352E, averaging 10 feet above the drift back. In the stope back the north vein averaged 0.4 feet wide, and the south vein 0.8 feet. The lean veins and the excessive waste blasted with the ore brought a halt to stoping in both the 1043 and 1046 stopes. 15 sets of timber were installed at the drift level under the 1043 stope and 3 sets of timber under the 1046 stope.

A total of 606.2 tons of ore from the 1000 Drift west and adjacent stopes has been milled this period. Average mill head samples were 6.23 oz. Ag., 0.51% Cu., 0.90% Pb. and 6.23% Zn. 100% of the monetary value of this ore will be subject to the OME 5% royalty.

RECEIVED
SEP 17 1962
U S G S
SPOKANE, WASH.

-SAMPLE VALUES-

NUMBER	LOCATION	WIDTH	OZ/TON AG.		% CU.		% PB.		% ZN.	
602-C	4294E (1043 S)	1.0'	41.80	41.80	0.58	.58	9.82	9.82	26.50	26.50
603-C	4322E (1043 S)	1.0'	18.00	18.00	2.14	2.14	2.85	2.85	46.90	46.90
606-C	Bk 1046 R @ 19 Ft	0.65'	37.20	24.18	2.83	1.84	4.12	2.68	35.20	22.88
607-C	1043S,4393E,+ 10'	0.40'	25.20	10.08	0.68	.27	1.58	.63	21.80	8.72
608-C	1046 ID E @ 8'	0.75'	29.70	22.27	2.53	1.90	6.76	5.07	34.60	25.95
613-C	4285E	0.90'	50.60	45.54	4.50	4.05	0.74	.67	32.60	29.34
614-C	4278E	1.50'	34.40	51.60	2.63	3.95	1.37	2.06	28.70	43.05
* MC-28	4278E	0.90'	33.00	29.70	0.58	.52	1.37	1.23	24.70	22.23
		14.58								
	Avg	1.12	31.99							

* Note: Sample MC-28 assayed 9.15% $BaSO_4$

	Tot	2.9		97.14		7.99		2.73		72.39		
diff	Av	1.2		40.58		3.33		1.14		30.16		
	Tot	2.9		69.88		2.99		13.30		82.12		
1043	Av	0.8		29.12		1.24		5.54		34.22		
	Tot	1.4		46.45		3.74		7.75		48.83		
1043	Av	.7		33.18		2.67		5.54		34.88		

RECEIVED
SEP 17 1962
U S G.S.
SPOKANE, WASH.

August 3, 1962

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S 157 Howard Street
Spokane 4, Washington

Re: OME 6139 (Silver-Lead-Zinc)
Pocahontas, et. al. claims
Granite County, Montana

Dear Mr. MacLaren:

Enclosed are four (4) copies of our reports for the month of July and four (4) copies of each assay certificate from the Montana Laboratory Company covering 16 samples.

Sincerely,

TROUT MINING COMPANY

C A McKinley

C. A. McKinley
General Manager

CAMcK:AH
encl.

RECEIVED
AUG 6 1962
U S G. S.
SPOKANE, WASH.

August 3, 1962

OME Narrative Report for July, 1962
Trout Mining Company
Docket No. OME 6189
Contract No. 2139

The 1000 Drift West was advanced 112 feet along the Pocahontas vein on a general heading of S 75° W to coordinate 4288. Drifting has advanced a total of 648.5 feet to date.

The veins strike parallel with the general drift bearing. Average high grade widths ranged from 0.4 feet to 2.43 feet. From 4370 E to 4346 E the vein was exceptionally wide and rich averaging 2.1 feet at the breast. Minerals occuring through this section were rosin zinc, galena, chalcopyrite, tetrahedrite, bornite, enargite, azurite, barite, quartz druses and iridescent limonite. The vein split into two veins dipping 80 - 83° N from coordinate 4346 E to 4320 E. The north vein was 0.4 feet wide, and the south vein 0.5 feet wide.

From coordinate 4320 E to 4280 E, the vein split into three veins. The middle vein dips steeply south, is 0.1 feet wide and splits off the south vein near the sill. The south vein is 0.2 feet wide and dips 80° N.

Between coordinates 4290 E and 4288 E two veins were drifted on; the north and south vein each 0.4 feet wide. The vein fissures drifted on during July were filled wall to wall with sulphides.

A large volume of water was encountered July 7, at coordinate 4367 E, and drift advance halted. A stope-raise was then advanced vertically 12 feet from coordinate 4581 E to 4607 E and one set of timber installed in the drift. The ore improved vertically in grade and width in this stope. A 3 foot crosscut was advanced north at 4400 E during this same drainage period. Drifting was resumed on a two shift basis on July 16.

The highly fractured ground from coordinate 4372 E to 4361 E required two lead timber sets. On July 27 a large volume of water was encountered in the lifter holes at the 4288 E face. Drifting was halted and a 9 foot high exploratory raise-stope was then blasted between coordinates 4298 E and 4320 E. The ore decreased in width in the stope back.

A total of 693.10 tons of ore from the drift and stopes was milled between July 23 and 31. 100% of the monetary value of this ore will be subject to the OME 5% royalty. Average weighted mill head assays were 6.51 oz Ag. per ton, 0.68% Cu., 0.94% Pb. and 7.81% Zn. This represents an increase in monetary value nearly double June mill head assays.

RECEIVED
AUG 6 1962
U. S. G. S.
SPOKANE, WASH.

-SAMPLE VALUES-

NUMBER	LOCATION	WIDTH	OZ/TON AG.		% CU.		% PB.		% ZN.	
554-C	4400 E	0.40'	50.00	20.00	1.66	.66	4.33	1.73	46.90	18.76
553		.4	31.30	12.52	0.68	.27	7.60	3.04	28.80	11.52
555-C	4389 E	0.60'	44.00	26.40	1.66	1.00	4.75	2.85	35.50	21.30
556-C	4380 E	0.56'	40.90	22.90	1.75	.98	12.88	7.21	39.90	22.34
7/7/62	4370 E	1.16' Av.	22.40	25.98	2.24	2.60	1.47	1.71	47.10	54.64
		3.12	34.55	.62	1.77		5.30		41.20	
566-C	4590 E *	1.40'	32.00	44.80	1.75	2.45	4.75	6.65	35.80	50.12
567-C	4581 E **	1.50'	82.80	124.20	1.46	2.19	2.85	4.28	39.10	58.65
572-C	4360 E	1.45'	49.10	71.20	3.41	4.94	3.91	5.67	45.30	65.71
574-C	4355 E	1.57'	30.00	47.10	2.53	3.97	2.22	3.49	50.20	78.81
575-C	4349 E	2.43'	41.20	100.12	2.92	7.10	1.05	2.55	41.40	100.60
578-C	4336.5 E	1.70'	22.90	38.93	3.41	5.80	1.68	2.86	37.91	64.45
579-C	4327 E	0.67'	34.50	23.12	5.26	3.52	2.10	1.41	29.60	19.83
581-C	4320.5 E	0.60'	18.00	10.80	7.41	4.45	2.10	1.26	47.50	28.50
582-C	4320.5 E	0.60'	22.00	13.20	0.68	.41	0.53	.32	35.00	21.00
584-C	4312.5 E	0.56'	17.50	9.80	2.44	1.37	2.64	1.48	44.40	24.86
590-C	4293.5 E	1.03'	28.50	29.36	1.36	1.40	0.42	.43	36.60	37.70
594-C	4283 E	0.68'	37.60	25.57	2.92	1.99	3.17	2.16	35.90	24.41
					2.01	37.17	1.87	23.32	41.84	526.20
					2.06	45.50	1.75	25.48	39.97	593.60

* 1045 Stope - 19 feet above sill

** 1045 Stope - 16 feet above sill

15.08

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Fiscal Section, Div. of Admin. Serv., Office of the Secretary	7/9/62	
2.		
3.		
4.		
5.		

FROM: D. R. MacLaren, Act. Fld. Offr. Region I

FOR: Check items for action desired

X Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS: Monthly voucher and progress report, with narrative, for June, 1962--

OME-6189
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139
Approp.: OME-14X0108

July 5, 1962

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S. 157 Howard Street
Spokane 4, Washington

Re: OME 6189 (Silver-Lead-Zinc)
Pocahontas, et. al. Claims
Granite County, Montana

Dear Mr. MacLaren:

Enclosed please find four (4) copies of our reports for the month of June and four (4) copies of each assay certificate from the Montana Laboratory Company covering 13 samples.

Sincerely,

TROUT MINING COMPANY

C A McKinley

C. A. McKinley
General Manager

CAMcK:AWH

RECEIVED
JUL 9 1962
SPOKANE, WASH.

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

June 5, 1962

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S. 157 Howard Street
Spokane 4, Washington

RE: OME 6189 (Silver-Lead-Zinc)
Pocahontas, et. al. Claims
Granite County, Montana

Dear Mr. MacLaren:

(Key Nov. 13 on Voucher file)

Enclosed please find four (4) copies of our reports for the month of May and one (1) copy of assay certificates from Montana Laboratory Company covering 17 samples. Sampling methods are explained in the narrative.

We have had some production from the drift which was sent to Low Grade Stockpile and eventually milled. This is also mentioned in the narrative.

It now appears that the best method of handling material subject to OME royalty is to comingle it with the Trout Stockpiles (Mill rock or Low Grade.) A record will be kept of both tonnages and the ratio obtained which can be applied to the net smelter returns to determine the amount of money subject to the 5.0% royalty. We would appreciate knowing if this method is satisfactory to OME.

Sincerely yours,

TROUT MINING COMPANY

C A McKinley

C. A. McKinley
General Manager

RECEIVED
JUN 8 1962
U S G. S.
SPOKANE, WASH.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Field Operations	6/8/62	
2.		
3.		
4.		
5.		
FROM: D. R. MacLaren, Act. Fld. Offr. Region I		

FOR: Check items for action desired

X	Action		Reply for signature of		
	Approval		Investigate		Surname
	Comment		Recommendations		Signature
	Conference		Rewrite		File
	Instructions		Your information		

REMARKS: OME-6189 (Silver-Lead-Gold)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Please note method of computation discussed in copy of Operator's letter of transmittal.

So. 157 Howard Street
Spokane 4, Washington
June 8, 1962

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. McKinley:

The method of computing royalty due the Government on ore produced from the OME area, as proposed in your letter of June 5, 1962, has been forwarded to our Washington, D. C., office for approval. Until such time as you are advised differently, you may follow that method of computation.

Only one set of assay reports accompanied your voucher for May. In order not to delay settlement of the voucher, we made the necessary copies. As we now have several active contracts for which vouchers must be processed, we cannot make reproduction of forms a policy. Please include a complete set of assay reports with each copy of any voucher in which payment for assaying is claimed.

Sincerely yours,

D. H. Maclaren
Acting Field Officer, OME
Region I

DHMaclaren:my

cc: OME
Reading copies to:
Bolan
Robbe
Guild

-SAMPLE VALUES-

NUMBER	LOCATION	WIDTH	OZ/TON AG.		% CU.		% PB.		% ZN.	
530-C	4593 E	0.87'	30.00	22.10	0.58	.50	0.42	.36	40.00	34.80
492-C	4584 E	0.76'	29.90	22.72	1.56	1.19	2.53	1.93	38.50	29.26
531-C	4574 E	0.50'	30.40	15.20	3.11	1.56	2.11	1.06	31.40	15.70
532-C	4566 E	0.70'	34.00	23.80	1.56	1.09	5.28	3.70	39.00	27.30
533-C	4560 E	0.30'	20.80	6.24	0.29	.09	0.55	.16	33.60	10.08
535-C	4547 E	0.70'	27.60	19.32	1.46	1.02	1.60	1.12	44.80	31.36
536-C	4536 E	0.60'	30.80	18.48	0.49	.29	2.65	1.59	44.20	26.52
537-C	4529 E	0.55'	42.50	23.38	1.27	.70	3.70	2.04	35.40	19.47
539-C	4518 E	0.10'	13.20	1.32	2.82	.28	3.70	.37	24.70	2.47
540-C	4510 E	0.40'	22.80	9.12	0.58	.23	4.20	1.68	29.00	11.60
542-C	4502 E	0.50'	18.00	9.00	0.39	.20	1.37	.68	26.90	13.45
		0.54	28.98	214.02	1.26	9.32	2.40	17.77	34.41	254.18
543-C	4482 E	0.056'	18.90	1.06	0.29	.02	3.91	.22	22.00	1.23
553-C	4407 E	0.4'	31.30	12.52	0.68	.27	7.60	3.04	28.80	11.52
				188.28		7.47		17.56		239.76

July 3, 1962

OME Narrative Report for June, 1962
Trout Mining Company
Docket No. OME 6189
Contract No. 2139

The 1000 DW was advanced 193 feet along the Pocahontas Vein on a general heading of S 85° W. Advance was continued on a two shift per day basis. The total drifting to date totals 536.5 feet advance.

The vein strikes S 85° W and dips between 78° and 90° north. Average high grade vein widths varied from a trace to 0.87 feet; structure widths varied from 0.2 feet to 1.5 feet. From coordinate 4490 E to 4465 E the vein was less than 0.3 feet in width and only one sample was taken. Between coordinates 4465 E and 4430 E the vein ranged from a trace to 0.1 feet wide with narrow structure widths; no samples were taken. From coordinates 4430 E to 4415 E the vein widened to between 0.1 feet and 0.2 feet, no samples were taken.

At coordinate 4409 the vein widened to 0.4 feet and was sampled. The vein continues to be widening from this point, and sampling has been resumed. The vein is becoming more banded with alternate bands of dark sphalerite, "rosin zinc", galena and quartz druses.

A drill station cross-cut was advanced 12.5 feet at coordinate 4650 E.

A total of 690.30 tons of drift rock was milled between June 15 and 19. 98.09% of the monetary value of this ore will be subject to the OME 5% royalty. Average weighted mill head assays were 4.26 oz/ton Ag., 0.15% Cu., 0.55% Pb. and 3.99% Zn.

June 5, 1962

OME Narrative Report for May 1962
Trout Mining Company
Docket No. OME 6189
Contract No. 2139

The 1000 DW on the Pocahontas vein was advanced 38.5 feet on a general heading of N 88° W. No significant structure was encountered and the drift was discontinued.

The SW drift, started last month, was advanced 57.5' in a S 52° W direction. The Pocahontas vein was encountered at 38' and the drift was driven 19.5' beyond it to probe for additional structure. No further mineralization was encountered and drifting along the vein on a two shift per day basis was begun. At the months end this heading had advanced 120 feet on a bearing of S 87° W. Total drifting for May 1962 was 216 feet, bringing total to date to 343.5 feet.

The vein, for this distance, strikes due W and dips N from 74° to 81°. Total width ranges from eight to sixteen inches, and high grade widths range from one to nine inches. The vein is similar in appearance to the one on 800 level and consists of quartz with disseminations and blebs of lead and zinc sulfide. The high grade portion consists mainly of honey colored "rosin jack" sphalerite with some galena.

On first encountering the vein each portion was sampled according to its mineral characteristics (see Sec. A - A' on map). This was done to obtain some idea of the features and values of each portion of the vein. Once this had been accomplished we reverted to our normal sampling system ie Structure and High Grade ore measured at the top, center and bottom of the vein and equal portions are cut from the High Grade at these locations. The assay obtained cannot be salted since only high grade is taken. This assay is applied to the average width to give an undiluted ore grade. A diluted grade is then calculated for whatever mining width is being used. Everything not high grade is considered as waste although there are stringers of ore in the wall rock as well as in the structure. By observing this rule assays are always on the conservative side.

A total of 218.7 tons of drift rock were sent to the low grade stockpile. This stockpile containing 452.6 tons of ore was milled May 21 through 23. 48.32% of the monetary value of this ore will be subject to the OME 5.0% royalty. Weighted average mill head assays were 6.46 oz./ton Ag, 0.20% Cu, 0.80% Pb and 5.92% Zn.

RECEIVED
JUN 8 1962
U. S. G. S.
SPOKANE, WASH.

SAMPLE VALUES

NUMBER	LOCATION		WIDTH	OZ/TON AG	% CU	% PB	% ZN
517*	1158	52	0.1 Ft.	57.2	1.75	1.58	54.4
518*	"	"	0.3	4.4	2.1	0.53	10.5
519*	"	"	0.4	34.5	0.42	1.06	26.8
520*	"	"	0.85	27.9	0.18	0.79	24.6
521*	"	"	0.4	12.0	0.65	0.53	14.7
522*	"	"	2.7	7.8	0.32	1.06	6.6
				15.18	0.47	0.74	13.45
474	1166	22	0.75	12.0	2.44	0.85	26.7
M 1	"	29	0.83	22.8	0.68	1.26	20.1
M 2	"	35	0.7	10.0	0.58	1.69	9.6
477	"	42	0.9	8.7	0.97	0.95	10.3
523	"	52	0.37	24.8	0.68	0.97	22.1
524	"	61.5	0.3	14.8	0.49	0.53	22.6
525	"	70	0.47	14.5	1.46	0.63	19.2
526	"	76	0.275	26.4	0.97	3.15	23.5
527	"	83	0.43	29.4	1.17	6.35	41.1
			0.38	16.34	1.01	1.18	19.05
528	"	101	0.60	35.6	1.95	3.70	36.6
529	"	110	0.83	22.5	1.27	1.05	31.1

* Samples taken by mineralogical boundaries to determine characteristics and values of individual portions of the vein.

13

RECEIVED
JUN 8 1962
U S G. S.
SPOKANE, WASH.

So. 157 Howard Street
Spokane 4, Washington
May 18, 1962

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Interim report, OME-6189 (Silver-Lead-Zinc), Pocahontas et al. Claims, Granite County, Montana, Contract 2139

Mr. Dave Walker, engineer for the operator, was interviewed in the company office April 30, 1962. The mine map had been brought up to date the day previously. As the drift was not on the vein and as Walker's former DMEA work as engineer for the Bureau of Mines was known to be accurate, the mine workings were not visited. The accompanying sketch was traced from Walker's map.

Prior to starting work under the OME contract, the operator completed 276 feet of drifting on or parallel to the Pocahontas vein. During the pre-OME period, a water flow approximating 550 g.p.m. was encountered. An attempt was made to bypass the water flow by turning the drift to the northwest. The flow increased to well over the 700 g.p.m. pumping capacity, so that it was necessary to stop the drifting and to reduce the flow by plugging holes, driving wedges into most of the small fissures and cracks. It required 72 days before the flow rate of 700 g.p.m. was reduced sufficiently to resume drifting.

Contract work started February 14, 1962, and by April 30 127.5 feet of drift had been completed. The OME starting point is 12.5 feet west of survey station 1152. Early in April, contract work was stopped for two weeks after a power failure allowed the level to flood. The maximum level reached by the water was about 8 feet in the shaft above the back of the 1,000 level.

The day of the visit to the office, a slab round was being mucked out preparatory to drilling the next round, which would be to the southwest in order to get the drift back to the vein.

D. R. MacLaren

Enclosure

Distribution:
OME(orig. & 2)
Docket
MacLaren

So. 157 Howard Street
Spokane 4, Washington
May 8, 1962

Mr. C. A. McKinley, General Manager
Trout Mining Company
Philipsburg, Montana

Dear Mr. McKinley:

We are enclosing a six months' supply of forms MME 60 and 61, as requested in your letter of May 3.

Sincerely yours,

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

Enclosures

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

May 3, 1962

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
United States Dept. of the Interior
Office of Minerals Exploration
S. 157 Howard Street
Spokane 4, Washington

RE: OME 6189 (Silver-Lead-Zinc)
Pocahontas, et. al. Claims
Granite County, Montana

Dear Mr. MacLaren:

Please find enclosed four (4) copies of our progress report for April, 1962. As you will note from the narrative, we had some difficulty this month, however we anticipate making considerable progress in May.

We have now used up our supply of MME 60 and MME 61 forms, and would appreciate it if you could send us some more sets.

Sincerely yours,

TROUT MINING COMPANY

C A McKinley

C. A. McKinley
General Manager

CAMcK:AWH

RECEIVED
MAY 7 1962
U S G.S.
SPOKANE, WASH.

May 3, 1962

OME Narrative Report For April 1962
Trout Mining Company
Docket No. OME 6189
Contract No. 2139

The 1000 Drift West on the Pocahontas Vein was advanced 21 feet on a general heading of N 85° W.

The first rounds taken in April created a slight increase in water flow. By April 9, the advance for the month was nine feet. On this date an outage at the Montana Power sub-station left the mine without electricity for about three hours. Complete flooding and loss of the 1000 level, including all equipment and pumps resulted. Strenuous work and fast action brought the situation under control the following day, but two weeks time was necessary to dewater the 1000 level, and rehabilitate the equipment.

Normal drifting was resumed and the drift advanced 12 more feet to bring the total for the month to 21 feet, and the total to date to 127.5 feet.

A quartz stringer was noted in the present drift face. It strikes about N 60° W and dips SW at approximately 60°. The stringer averages about ½ inch in width and carries over 50% FeS and ZnS.

During the last week of the reporting period, a decision was made to drift SW in an attempt to cut the projected position of the Pocahontas Vein. Two sideswipe rounds have been taken to begin the new heading.

RECEIVED
MAY 7 1962
U S G.S.
SPOKANE, WASH.

TROUT MINING COMPANY
PHILIPSBURG, MONTANA

April 10, 1962

OME NARRATIVE REPORT FOR MARCH, 1962

Trout Mining Company
Docket No.OME-6189
Contract No. 2139

The 1000 drift west on the Pocahontas vein was advanced 90 feet on a general heading of N. 81° W.

The first round taken in March advanced the drift five more feet into the water course, and created a considerable increase in the flow. It was necessary to close the water doors to prevent flooding of the 1000 level station, and water reached a height of four feet at the door before the surge subsided.

Seven days elapsed before it was possible to bring the water under control and get back to the heading.

The fractured and blocky nature of the quartzite made it necessary to enlarge and timber the drift. Six set totaling 27 linear feet were emplaced. Whenever slabbing out was done, small surges of water were experienced. On March 12th, a full drift round was taken, and the heading was advanced through the water course. A seventh set of timber was stood bringing total timber to 33 feet.

Normal drifting was resumed and the drift advanced 78 more feet to bring the total for the month to 90 feet, and the total to date to 106.5 feet.

A bedding fault was encountered about 18 feet back of the present face. There is a small amount of water oozing from the face.

No significant vein structure has been encountered to date.

RECEIVED
APR 12 1962
U.S.G.S.
SPOKANE, WASH.

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

April 10, 1962

		NOTED	DATE
Mac		✓	4/12
ANSWERED	McDiots		

PHILIPSBURG, MONTANA

ATTACHMENTS REC'D _____ (DATE)

BY _____

ROYALTY PMTS TO DATE _____

Mr. D. R. MacLaren
Acting Field Officer, OME,
Region 1,
United States Dept. of the Interior,
Office of Minerals Exploration,
S. 157 Howard Street,
Spokane 4, Washington

RE: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et. al., Claims
Granite County, Montana

Dear Mr. MacLaren:

Please find enclosed **four** (4) copies of our progress report for March, 1962. These are slightly late because Mr. Walker who prepares them has been away on an active duty tour with the Navy.

Sincerely yours,

TROUT MINING COMPANY

O D Walker
for

C. A. McKinley
General Manager

RECEIVED

APR 12 1962

U.S. O.M.
SPOKANE, WASH.

So. 157 Howard Street
Spokane 4, Washington
March 7, 1962

Mr. C. A. McKinley
General Manager
Front Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et al., Claims
Granite County, Montana
Contract #139

Dear Mr. McKinley:

In preparing future OME monthly voucher forms please submit in quadruplicate and include in the upper right-hand corner, where indicated on OME Forms 60 and 61, the contract number, #139.

Sincerely yours,

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

DRMacLaren:mls
cc: OME(2) w/cy incoming
MacLaren do.
Voucher file w/cy incoming

Reading copies to:

Nolan
Hobbs
Guild

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

March 2, 1962

PHILIPSBURG, MONTANA

Mr. D. R. MacLaren,
Acting Field Officer, OME,
Region 1,
United States Dept. of the Interior,
Office of Minerals Exploration,
So. 157 Howard Street,
Spokane 4, Washington.

RE: OME - 6189 (Silver-Lead-Zinc)
Pocahontas, et. al., Claims
Granite County, Montana

Dear Mr. MacLaren:

Please find enclosed five (5) copies of our progress report for February, 1962. This includes OME forms 60 and 61 and a narrative report with supporting map.

In order to save time and expedite the execution of the above subject contract it would be appreciated if you would address all future correspondence and information to:

Mr. C. A. McKinley, General Manager,
Trout Mining Company,
Philipsburg, Montana.

Sincerely yours,

TROUT MINING COMPANY

Chas. A. R. Lambly

C. A. R. Lambly, President

RECEIVED
MAR 5 1962

March 2, 1962

OME NARRATIVE REPORT FOR FEBRUARY, 1962

Trout Mining Company
Docket No. OME 6189
Contract No. 14-23-090

Total work completed after dewatering and rehabilitating the shaft and drifts and prior to granting of the OME contract consisted of 276 feet of drifting, 8½ feet percussion drilling (one hole), and assaying of 19 samples.

Preparations for advancing the 1000 DW on the Pocahontas vein were completed September 20, 1961, after about 12 months work, and the first round was blasted that night. The drift was advanced steadily for about two months when a water flow approximating 550 g.p.m. was encountered and drifting was halted. The heavy increase of water necessitated the installation of another pump at the 1000 level station. Drifting was resumed on December 6, 1961, after pump capacity had been increased to 700 g.p.m.

Following a short advance it was decided to pull back 20 feet from the face because of excessive water and drive northwest in an attempt to bypass the flow. After advancing 36 feet, during which the water flow increased, drifting was halted and work intensified to control the water flow which was well over the 700 g.p.m. capacity of the pumping installation. Only by plugging all drill holes and driving wedges into most of the small fissures and cracks was it possible to cut down the water to a point that the pumps could handle it, and the 1000 station was out of danger of being flooded.

Drainage at a rate of 700 g.p.m. continued for 72 days, or 12 days longer than the 60 estimated for water time in our application. Prior to starting work under the OME contract a water door was constructed to protect the station against sudden surges of water. Drifting was resumed February 14, 1962, in accordance with the contract. A total of 16.5 feet of drift was driven through badly broken quartzite. Several narrow quartz stringer broken by bedding faults were encountered, and the water flow increased. It is estimated that 84,000,000 gallons of water have been handled since December 6, 1961, but the water situation is still critical.

So. 157 Howard Street
Spokane 4, Washington
February 15, 1962

Mr. Chas. A. E. Lambly
President
Trout Mining Company
233 Broadway
New York 7, New York

Re: OME-6189 (Silver-Lead-Zinc)
Pennsylvania, et al., Claims
Granite County, Montana
Contract 2139

Dear Mr. Lambly:

We are forwarding a 3-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61.

The completed report forms MME 60 and 61, as well as the narrative, maps, assays and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done for that month is required.

Delay in processing can be avoided if reports are submitted promptly to this office.

Sincerely yours,

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

Enclosures

BRMacLaren:mls
cc: OME; MacLaren; MME Forms 60 & 61 File
Reading copies to:
Nolan
Hobbs
Guild

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

February 7, 1962

233 BROADWAY
NEW YORK 7, N.Y.

READ TO	ACTION	NOTED	DATE
Mac		✓	2/8/62
Ome	(2 Tcy)	"	
ANSWERED			

VIA AIR MAIL

Mr. D. R. MacLaren, Acting Field Officer, OME
Region I
United States Department of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Re: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et. al., Claims
Granite County, Montana

Dear Mr. MacLaren:

Enclosed are the original and three copies of the contract for exploration at the Pocahontas, et. al., Claims, signed by the proper officials of Trout Mining Company. The Operator's copy has been retained for the Company's records.

You will note that in Article 1 the date of March 16, 1962 has been entered. This date was selected to permit additional time to drain the water from the Pocahontas Fissure. The project, as outlined in the application, was started in November, 1961 and approximately 290 feet of drift were driven. On December 6, 1961 the first water was intersected before it was expected on the contact between the Flathead Quartzite, Spokane Quartzite and the Pocahontas Fissure -- see Plate 2. Since that date, approximately 700 gallons of water per minute have been drawn from the Fissure. After the flow of water diminishes sufficiently, the drift will be again advanced in a westerly direction.

Thank you for your assistance and direction in applying for and obtaining our Exploration Contract.

Sincerely yours,

TROUT MINING COMPANY

Chas. A. R. Lambly
President

RECEIVED
FEB 8 1962
U.S.G.S.
SPOKANE, WASH.

CARL:eb
Enclosures

So. 157 Howard Street
Spokane 4, Washington
February 1, 1962

Air Mail

Mr. Charles A. R. Lambly
President and Director
Trout Mining Company
233 Broadway
New York 7, New York

Re: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et al., Claims
Granite County, Montana

Dear Mr. Lambly:

Enclosed are the original and four copies of a proposed contract for exploration at the Pocahontas, et al., Claims, Granite County, Montana, signed by the Director for the Government. The contract consists of BMM Form 30 (Long Form), Annex I (two pages), Exhibit A (four pages), Exhibit B, and three maps.

If the contract meets with your approval, kindly insert in Article 1 the date on or before which work will commence and sign the original and all copies; keep the Operator's Copy and return the original and remaining three copies to this office.

If any part of the contract does not have your approval, please return all copies unsigned with a statement of the proposed changes for consideration.

The 6½ percent interest mentioned in Article 1(e) accrues from the dates upon which individual payments are made by the Government and, like the principal, is repayable from royalty on production.

Sincerely yours,

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

Enclosures

DRMacLaren:mls
cc: OME
Reading copies to: Holan, Guild, Hobbs

So. 157 Howard Street
Spokane 4, Washington
January 22, 1962

Mr. Charles A. R. Lashly
President and Director
Trout Mining Company
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Pocahontas, et al., Claims
Granite County, Montana

Dear Mr. Lashly:

We have received from our Washington, D. C. office a proposed contract with Trout Mining Company to explore for silver-lead-zinc on the Pocahontas, et al., Claims, Granite County, Montana, by drifting and underground diamond drilling; however, before we can forward the proposed contract for your consideration, the five attached unsigned copies of OME Form 32, Lien or Subordination Agreement, must be dated and signed by an authorized representative of American Smelting and Metals, Inc., and the certification below the signature filled out, signed and the Corporate Seal affixed.

The date shown on the Lien or Subordination Agreement must be prior to January 16, 1962.

As soon as you return all five copies completed as indicated above, we will forward the proposed contract for your consideration.

Sincerely yours,

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

Attachments

DRMacLaren:mls
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

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

JAN 16 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Montana

In accordance with your memorandum of December 4, 1961, enclosed are the original and four copies of a proposed exploration contract with Trout Mining Co., signed by the Director, subject to attachment of the executed Lien or Subordination Agreement (six copies enclosed). The contract consists of MME Form 50 (Long Form), Annex I (two pages), Exhibit A (four pages), Exhibit B, and three maps. Also enclosed for your use is an "Extra copy for Field Officer" (MME Form 50, Annex I, and Exhibit A).

If the contract is satisfactory to you and the Applicant and the executed Lien or Subordination Agreement has been attached, kindly insert the starting date and have an authorized representative sign the original and four copies. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6¼ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

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

You will note that the total estimated cost of the proposed contract is lower than the Applicant's. The number of men required and supplies were reduced; also, the costs estimated by the Applicant for the stand-by periods while the two water courses were draining were deleted.

George C. Selfridge

RECEIVED
JAN 22 1962
U. S. G. S.
SPOKANE, WASH.

Enclosures

So. 157 Howard Street
Spokane 4, Washington
January 11, 1962

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: SME-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Montana

Chas. A. R. Lambly, president of the subject company, telephoned this morning and requested that I write you regarding processing of his application for SME aid. His concern is whether a contract will be offered.

As I have heard nothing further since my memorandum of December 4, 1961, I have assumed that your office was proceeding with the preparation of a contract. Please advise.

D. R. MacLaren

DRMacLaren:mls
Reading copies to: Nolan, Hobbs, Guild

No. 157 Howard Street
Spokane 4, Washington
December 4, 1961

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: GMM-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Poorhunter, et al., Claims
Granite County, Montana

Enclosed is a copy of a letter dated November 24, 1961, together with a photocopy map showing the location of certain properties in the Philipsburg area and copies of the instruments by which the claims became the property of the Trout Mining Company as requested in Item 2 of my letter of November 16, 1961, to Charles A. R. Lemaly, President and Director, Trout Mining Company.

If the Korean trainee checks in in time today, we will leave for Kellogg immediately to check the map of the Crescent 2700 level; otherwise, we will leave tomorrow, December 5, and will not be back until the 13th or 14th. In either case, I will not be able to get this cost estimate out until the 20th or 21st.

Therefore, I am forwarding the enclosed in the interest of time so that if your office can come up with a cost estimate and complete processing the application, you may be able to have the funds obligated by the end of the month. If you cannot, please advise, and I will get on it when I return.

D. R. MacLaren

Enclosures

P.S. I talked to Roger McConnel at the convention and he was most cordial in telling me I could see any of the Bunker's maps at any time.

DRMacLaren:mls cc: Docket DMEA-2764, The Bunker-Hill Co., Crescent Mine, Shoshone Co., Idaho)
Reading copies to: Kolm, Kobbs, Ovild

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

233 BROADWAY
NEW YORK 7, N. Y.

November 24, 1961

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
U. S. Dept. of the Interior
South 157 Howard St.
Spokane 4, Washington

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Company
Pocahontas, et al., Claims
Granite County, Montana

Dear Mr. LacLaren:

In reply to your letter of November 16, 1961, the following information should answer the various questions that you raised.

1. Trout Mining Company was incorporated in the State of Delaware on November 14, 1958.

2. Trout Mining Company does own the Elienore and Little Gem claims. The enclosed copies of the Grant Deed dated December 16, 1958, Agreement dated January 14, 1959 and Agreement dated December 28, 1960 will supply all the information on the transfer of the above claims from the American Machine and Metals, Inc. to the Trout Mining Company.

With regard to the royalties on the Elienore and Little Gem claims under the terms of the former contract, Idm-E591, Docket DMEA-3076 - American Machine and Metals, Inc. - it is the intention of Trout Mining Company to pay whatever royalties that may be applicable for any ore from the Elienore and Little Gem claims.

3. Whenever operations are discontinued for an appreciable time, it is not the company's intention to charge any labor or supervising personnel to the project, other than that outlined in the application.

Experience with the large volumes of water encountered on the 800 level drive; directly above the proposed 1000 level drift; that had to be handled with the present pumping layout required two men per shift - 3 shifts per day - 7 days a week until the water pocket was drained. These men worked on plugging of holes in the face when the flow of water became excessive, and controlling the various pumps in the present pumping systems which have a total capacity of about 1000 gallons per min. from the 800 level, and about 350 gallons per min. from the 1000 level to the 800 level.

	Level	Type Pump	Gallons per Minute	Head in feet
Pump System (A) -	1000	Deep Well	250	200 ft.
	800	Station	750	100 ft.
	700	"	750	100 ft.
	600	"	750	100 ft.
	500	"	500	500 ft.
Pump System (B) -	1000	Station	200	200 ft.
	800	"	500	800 ft.

These systems are now manually operated, and can readily pump the normal volume of water, about 800 gals. per min. Approximately 600 gallons are developed from the 800 level, and the balance, 200 gals., from the 1000 level.

If additional water is encountered on the 1000 level, it is estimated that it will require approximately 5 months of 30 days each - 3 shifts per day - or a total of 450 shifts of pumping at full capacity of all pumping systems to drain the water from the pocket so that the drift can safely advance through the water zone.

Normal pumping, when the mine is not in production would require; over the 5-month period covering 150 days - 2 men on 2 shifts 7 days a week, or 4 shifts per day for 150 days, or 600 man shifts plus the necessary supervision time.

The floodwaters - pumping would require 2 men on 3 shifts 7 days a week or 6 man shifts per day for 150 days or 900 man shifts or 300 shifts more than normal requirement.

The manpower costs of the normal pumping requirements

have not been included in the estimated cost of the project. On Page 31 - 7.(b) - Estimate of labor cost during pumping of water for 5 months - you will note that we have included only the following shifts, which are over and above the normal number of shifts required to keep the mine dewatered.

Supervision	Shifts per Month	No. of Months	Total Shifts Estimated
(1) Mine Supt.	3 shifts	5	15 shifts
(1) Shift Boss-night	4 shifts	5	20 "
(1) " " -day	4 shifts	5	20 "
(1) Geologist	4 shifts	5	20 "
Mine Labor - Underground			
Mines (4)	22 shifts	2	176 shifts
Train & Service (2)	22 "	5	220 "
Mine Labor - Surface			
Hoistmen (2)	4-1/2 shifts	5	45 shifts
Repairmen (2)	22 "	5	220 shifts
	TOTAL SHIFTS --		736 shifts

Of this total number of shifts - 300 shifts will be used on pump control over and above normal pump control time. The other 436 shifts will consist of 75 shift supervisors or less than 2 hours per shift for the estimated 450 shifts of pumping time. The balance of the shifts, 361, equal 3 men for 120 shifts or less than one man per shift for the estimated 5 month pumping period. These 3 men would cover all repairs, face work, pipe line and pump maintenance, etc., during the excess water period. These estimates of the manpower required during the

flood water periods may appear to be excessive, but, as you know, the fullest attention must be paid to the pumping systems when a water course has been intersected and the pumps are working at capacity, for a failure of any type can cause the flooding of the lowest pump station and loss of the level. If the 1000 level was flooded, the cost of equipping an emergency pumping system would be very substantial plus repairs to pumps and equipment damaged by water.

Since this application was presented, the company started the modernization of the pumping system, and it is possible that this work will be completed sometime early next year in which case the estimated cost of handling the water during the 5-month period may be reduced. It is, therefore, suggested that the $18,960.32 or $12.64 per foot of drift be set up in such a way that the charge would only be made if the tunnel advance is halted by heavy water flows that exceeded the capacity of the pumps and/or additional manpower is required to handle the additional volumes of water.

4. See (3) above.

5. The diamond drilling program will be conducted during the time the drift is advancing or during the period when the water is being drained from the water zones. There is no intention of charging any supervision against the diamond drilling.

All services and labor are only chargeable against the

drift advance or the dewatering period. No service or labor will be, or should be, charged against the diamond drilling.

Please note Time Schedule - It is reasonable to assume that the supervision for the 16th month should be eliminated.

6. We did not include any depreciation on the various prices of equipment listed in 7.(d) - Page 33. This equipment will be principally used on the 1000 level drift, but other drifts raises and stopes may be active on the level and utilizing the same equipment.

I hope this information will give you the data needed to complete your study.

I would like to advise that the 1000 level drift West - as outlined in the application, has been advanced about 175 ft. along the Pocahontas vein. The vein, to the present point, is filled with quartz, and shows some zinc and lead mineralization, and is quite strong. The face is being advanced about 30 to 40 ft. per week.

If we can be of any further assistance, please do not hesitate to call upon us.

Very truly yours,
Trout Mining Company

Chas. A. R. Lambly
President

CARL/ap
Enc.

RECEIVED
DEC 1 1961
U. S. G. S.
SPOKANE, WASH.

No. 157 Howard Street
Spokane 4, Washington
November 16, 1961

Air Mail

Mr. Charles A. R. Lashly
President and Director
Trout Mining Company
253 Broadway
New York 7, New York

Re: OMM-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Montana

Dear Mr. Lashly:

In reference to your OMM application, it appears that an on-site examination will add little, if any, information to that in the application and in our files. However, there are a few points that should be clarified:

1. Please advise us as to the state in which the Trout Mining Company was incorporated.

2. In the event a contract is executed, OMM royalties will be in addition to those applicable for any production from the Elizmore and Little Gem claims subordinated under the terms of the former contract, Idn-8991, Docket DMM-3876, American Machine and Metals Co. The application states that Trout Mining Company owns those claims which, at the time of the prior contract, were owned by Trout Mining Division of American Machine and Metals, Inc. Please furnish us a true copy or photocopy of the instrument by which the claims became the property of Trout Mining Company.

3. Whenever it is necessary to discontinue operations for an appreciable time, the contract must be amended to authorize a period of recess. Under these circumstances, labor and supervisory personnel would not be devoting any time to the project except, in this case, possibly a pump man for a very short time per day. Therefore, please justify your estimate for labor and supervisory costs for 5 months' lost time due to water.

4. On page 30 of your application under the heading, Mine Labor-Underground: What will the 4 miners - 2 months - water and S.S. be doing?

5. During the 6-month period of diamond drilling, it does not seem realistic or necessary for a mine superintendent, 2 shift bosses, 2 train men, 2 repair men, and 2 hoist men to devote the same time to the diamond drilling that they will to drifting particularly since the diamond drilling is to be done under contract. Please justify these apparent inequitable charges.

6. In determining a unit cost figure, we depreciate over a 5-year period the fair market value of equipment owned by an operator. In other words, for a given piece of equipment, one-sixtieth of its value is allowed per month. Will such items as the Battery Locomotive, mucking machine, and mine cars be used only in the OME drift? Will any other heading be advanced on the 1000 level?

If you will give me the clarification and/or information requested, I believe I can complete my report without further difficulty.

Sincerely yours,

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

DRMacLaren:mls
cc: OME
Reading copies to:
Nelson
Hobbs
Guild

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

Noted 11/13/61
WLS

Memorandum

NOV 6 1961

To: Acting Field Officer, Region I

From: ACTING Chief, Division of Field Operations

Subject: OME-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Montana

The captioned application is referred to Region I for review, a field examination if necessary, and recommendations.

Mr. W. C. Prinz, USGS, is presently in Washington. Since he has spent considerable time in the project area, we consulted with him regarding the subject application. He stated that in his opinion the proposed exploration work had good possibilities of finding ore and recommended OME approval.

If you agree with Mr. Prinz in this matter, possibly you could make your recommendations for a contract without a field examination. Then, if a contract is executed, you could visit the property to establish the starting point of the drift. At that time you could also accumulate the data and submit the annual report (MME Form 64) relating to DMEA-3076. Our files show the last report received covers the period January 1 to June 30, 1958.

As mentioned in your transmittal memorandum, some of the Applicant's estimated costs appear to be high and should be justified in the event you believe a contract is warranted.

The Applicant should be advised that in the event a contract is executed, OME royalties will be in addition to those applicable for production from the Elienore and Little Gem claims subordinated under the terms of Contract Idm-E591 (DMEA-3076), American Machine & Metals Co. The information submitted states that the Applicant is the owner of these claims. In this case, we should have a copy of the instrument showing its rights of possession.

Please ascertain the state in which the Trout Mining Co. was incorporated. The application lacks this information.

RECEIVED
NOV 13 1961
U. S. G. S.
SPOKANE, WASH.

W. R. Grimwood

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

NOV 6 1961

Mr. Charles A. McKinley
General Manager
Trout Mining Co.
Philipsburg, Montana

Re: OME-6189 (Silver-Lead-Zinc)
Trout Mining Co.
Pocahontas, et al., Claims
Granite County, Montana

Dear Mr. McKinley:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, OME, Region I, South 157 Howard Street, Spokane 4, Washington.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Director

Copy to:
Mr. Charles A. R. Lambly
President and Director
Trout Mining Co.
233 Broadway
New York 7, New York

GLAult/a
11-2-61
cc to: Director's Reading File
Region I (2)
Docket

RECEIVED
NOV 13 1961
U. S. G. S.
SPOKANE, WASH.

No. 157 Howard Street
Spokane 4, Washington
October 27, 1961

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Transmittal of application for assistance
Trout Mining Co. (Zinc-Lead-Silver)
Trout Mine
Granite County, Montana

Enclosed is a copy of an application to explore the Trout mine, Philipsburg, Granite County, Montana. Part of this property was the subject of a prior certified project under Contract Idm-E591, Docket DMEA-3076 (American Machine and Metals Company). The former project explored the Pocahontas vein west of the Mullan shaft on the 400 level. The applicant proposes to explore the Pocahontas vein, but the work will all be east of the Mullan shaft and will be carried out on the 1000 level from the Algonquin shaft.

The application is well prepared. The cost per foot for drifting is higher than that allowed in the former contract or in the several others in the district, but the applicant gives a thorough outline of his basis for estimate. One item that raises the over-all cost is provision for pumping which may well be reasonable, but another item, that for labor costs during lost time due to water, I do not understand.

D. R. MacLaren

Enclosure

DRMacLaren:mls
cc: Contract Idm-E591 (DMEA-3076)
Reading copies to: Nolan, Hobbs, Guild

TROUT MINING COMPANY

MINES AND MILLS—PHILIPSBURG, MONTANA

233 BROADWAY
NEW YORK 7, N.Y.

October/9, 1961

Mr. D. R. MacLaren
Office of Minerals Exploration
S157 Howard Street
Spokane 4, Washington

Dear Sir:

Please find enclosed an Application for Financial Assistance in Minerals Exploration, requesting assistance in the $123,000.00 project of driving 1500 ft. of exploration drift on the Pocahontas vien, on the 1000 ft. level of the Algonquin Shaft, Trout Mine, Philipsburg, Montana.

Very truly yours,

Charles A.R. Lambly

Charles A.R. Lambly
President

Enc.
CARL:jc

RECEIVED
Registered Mail
OCT 25 1961
RRR
U S G.S.
SPOKANE, WASH.

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42–R1368
Approval expires Dec. 31, 1963

RECEIVED
OCT 25 1961
U. S. G. S.
SPOKANE, WASH.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Trout Mining Co.
Philipsburg, Montana

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	X
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Charles A.R. Lambly	233 Broadway,N.Y.7,N.Y.	President & Director
Glenn A. Swennumson	"	Treasurer & Directo
Alphone Kenison	"	Secretary
Robert G. Burns	"	Asst.Treasurer & Secretary
Thomas B. Tierney	Philipsburg,Mont.	Asst.Treasurer
Charles A. McKinley	"	General Manager

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Zinc, Lead, Silver

ESTIMATED COST OF PROJECT
$ **123,301.98**

PROPERTY NAME	LOCATION COUNTY	STATE
Trout	Granite	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

Oct 19-1961
DATED

Chas A R Lambly
BY *(Signature)*

President
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

SUMMARY

Trout Mining Company has active zinc - lead - silver and manganese dioxide operations in the Philipsburg Mining District - Granite County - Montana.

During the past year the Company has been exploring a fissure vein, the Pocahontas, that has been followed from the limestone formation into the Flathead and Spokane quartzites. This zinc - lead - silver fissure in the quartzites has been opened on the 600 and 800 levels of the mine. Vein measurements in and sampling along the Pocahontas vein indicate

(1) a greater vein width at depth and to the west
(2) a substantial increase in metal content
(3) a substantial increase in the copper content
(4) the Spokane quartzite is a favorable formation

These facts plus the extraction of commercial ore from the 800 level led the Company to believe that it was advisable to dewater the Algonquin shaft below the 800 level to the 1000 level and rehabilitate the 1000 station and level. This work is now in progress and a X-cut has intersected the Pocahontas vein. As soon as the rehabilitation of the 1000 level has been completed, a 1500 ft. drift in a westerly direction along the Pocahontas vein will be started.

This "Application for Financial Assistance in Minerals Exploration" outlines the proposed program at an estimated cost of $123,301.98.

Estimate of Cost - 1500 ft. drift

Item	Name	Cost per ft.	Total Cost
7(a)	Diamond Drilling	$ 9.50	$ 13,300.00
7(b)	Drift - labor	39.72	59,574.64
7(c)	" - supplies	16.43	24,638.00
7(d)	" - equipment	.65	975.00
7(e)	" - rehabilitation	-	-
7(f)	" - building	-	-
7(g)	" - maintenance	4.78	7,176.00
7(g)	" - other	11.76	17,638.34
7(b) - 7(g)	Drift	73.34	110,001.98
7(a) - 7(g)	Drift & drilling	-	123,301.98

This estimated cost includes $12.64 cost per foot of drift for the control of water that is expected during the drive.

7(b)	Labor	14,629.88
7(g)	Other (29.6% labor)	4,330.44
Total	7(b) and 7(g)	$ 18,960.32

Estimated cost of drift if water is not encountered is $60.70 per foot.

It is believed that this project could establish substantial tonnages of good grade zinc - lead - silver ore and point the way for deeper development of the fissures in the Spokane quartzite.

September 29, 1962

Mr. R. G. Paige, President
Flint Creek Valley Bank
Philipsburg, Montana

Dear Sir:

Please find enclosed a proposed program for the exploration and development of the Trout Mining Company property located near Philipsburg, Montana. The property is now producing about $40,000.00 to $50,000.00 of zinc - lead - silver concentrates and receiving tolls of about $5,000.00 to $10,000.00 for custom milling of zinc - lead - silver ores per month. The exploration program, which consists of driving 1500 feet of drift and drilling 1400 feet of diamond drill holes on the 1000 foot level of the Algonquin Mine, must be carried forward with the objective of finding sufficient ores to secure future production and development of the property.

Will you please review our exploration program and advise under what terms and conditions you would consider loaning the Trout Mining Company sufficient funds to complete this program, estimated to cost $122,197.96.

Your early consideration and advice will be greatly appreciated.

Very truly yours,

TROUT MINING COMPANY

Charles A. R. Lumbly
President

CARL:ANN
Encl:

September 29, 1961

Mr. R. H. Mester, Vice-President
First National Bank
101 N. Main Street
Butte, Montana

Dear Sir:

Please find enclosed a proposed program for the exploration and development of The Trout Mining Company property located near Philipsburg, Montana. The property is now producing about $40,000.00 to $50,000.00 of zinc - lead - silver concentrates and receiving tolls of about $5,000.00 to $10,000.00 for custom milling of zinc - lead - silver ores per month. The exploration program, which consists of driving 1500 feet of drift and drilling 1400 feet of diamond drill holes on the 1000 foot level of the Algonquin Mine, must be carried forward with the objective of finding sufficient ores to assure future production and development of the property.

Will you please review our exploration program and advise under what terms and conditions you would consider lending the Trout Mining Company sufficient funds to complete this program, estimated to cost $122,197.98.

Your early consideration and advice will be greatly appreciated.

Very truly yours,

TROUT MINING COMPANY

Charles A. R. Lambly
President

CARL:AWH
Encl:

FLINT CREEK VALLEY BANK

PHILIPSBURG, MONTANA

October 3, 1961

Mr. Charles A. R. Lambly, President
Trout Mining Company
Philipsburg, Montana

Dear Mr. Lambly:

I am very sorry to advise you that it would be impossible for our bank to make you an exploration loan in the amount of $122,197.00. This loan would far exceed our loan limit, and it would not be a loan that we could secure to comply with the normal banking requirements.

I am sure that your program has merit and great possibilities for future success, and I hope that it will be possible for you to borrow money elsewhere to meet your requirements for this important exploration and development program.

Very truly yours,

President

DEP:ms

THE FIRST NATIONAL BANK

OF BUTTE

UNITED STATES DEPOSITORY

ESTABLISHED 1877

BUTTE, MONTANA

October 3, 1961

Charles A. R. Lambly, President
Trout Mining Company
Philipsburg, Montana

Dear Mr. Lambly:

We are in receipt of your letter of September 29 informing us of the proposed program for the exploration and development of your property near Philipsburg. According to the information you have furnished this program is estimated to cost approximately $122,000.00.

We are sorry to advise you that this is not a commercial loan and also that it is in excess of the amount that we are permitted to loan, therefore, we are unable to make any commitments regarding this inquiry.

Wish to thank you for your consideration.

Yours truly,

E. H. Meater
Vice President

EHM:sk

1. FINANCIAL ELIGIBILITY

1.(b): None

1.(c): Trout Mining Company's present monthly rate of production includes between 2,500 and 3,000 tons of zinc - lead - silver ore, averaging 9% - 11% zinc, 1% - 1.5% lead and 8 oz. - 14 oz. silver and about 500 tons of 30% MnO_2 manganese dioxide ore. Custom milling consists of between 1,000 and 1,500 tons of zinc - lead - silver ores per month ata toll charge of between $5.00 and $7.00 per ton. It is estimated that between $5,000.00 and $8,000.00 cash per month can be generated from these operations to support Trout's share of the estimated cost of the project for 16 months.

2. APPLICANT'S RIGHTS IN LAND

2.(a): Trout Mining Company - Owner

2.(b): Trout Mining Company claims are located in the SW¼ of Section 29 and the S½ of Section 30 - Township 7N - Range 13W - Philipsburg Mining District, Granite County, Montana.

The Trout Mining Company plans on driving 1500 feet of drift along the Pocahontas vein on the 1000 level. This drift will be principally in the Pocahontas claim from Coordinates 5100 E to 3600 E (see maps and sections). It is proposed that all ore discovered, developed or extracted below the 800 level of the Algonquin shaft (elevation 5,193 ft.) in the claims listed below become subject to Government royalty and liens if the proposed exploration project outlined in this report is approved by the O. M. E.

CLAIM	SURVEY NUMBER	SEC.	PORTION - (see Map 3.(g) - 3)
Algonquin	506	30	-
Belle	737	29	West of Coordinate 5100 E
Belle Fraction	10203	29	West of Coordinate 5100 E
Derby	10338	30	
Elienore	10338	30	
Gem	37	29 & 30	West of Coordinate 5100 E
Kitty Clyde	373	30	
Little Gem	10281	30	West of Coordinate 4900 E
Pocahontas	373	30	
Trout	373	30	
West Algonquin	10281	30	

2. APPLICANT'S RIGHTS IN LAND

2.(b): The following claims and workings should not be subject to Government royalty and liens.

All of the Trout Mining Company claims as listed below:

CLAIM	SURVEY NUMBER	SEC.
Bear No. 2	2075	29
Bernard	10281	30
Brooklyn	2908	29
Dead Horse	4435	29
Franklin	67	29 & 30
John Coyle	9630	29 & 30
Levi Burr	940	29 & 30
Phiminco	10202	29 & 30
Providenta No. 2	373	30
Speckled Trout	373	30
Torrit	9630	29 & 30

Part of the Trout Mining Company claims as listed below:

CLAIM	SURVEY NUMBER	SEC.	PORTION - (See Map 3.(g): - 3)
Belle	737	29	East of Coordinate 5100 E
Belle Fraction	10203	29	Est. of Coordinate 5100 E
Gem	37	29 & 30	East of Coordinate 5100 E
Kitty Clyde	373	30	East of Coordinate 4900 E

All areas above the 600 level of the Algonquin shaft (elevation 5,193 ft.) in the Trout Mining Company's claims as listed below:

CLAIM	SURVEY NUMBER	SEC.	PORTION - (See Map 3.(g): - 3)
Algonquin	506	30	
Belle	737	29	West of Coordinate 5100 E
Belle Fraction	10203	29	West of Coordinate 5100 E
Derby	10338	30	
Elienore	10338	30	
Gem	37	29 & 30	West of Coordinate 5100 E
Kitty Clyde	373	30	West of Coordinate 4900 E
Little Gem	10281	30	
Pocahontas	373	30	
Trout	373	30	
West Algonquin	10281	30	

2. APPLICANT'S RIGHTS IN LAND

2.(b): All Granite mining claims, ½ mile South of the Trout claims in Sections 31 - 32 - 33 and 34, T7N, R13W, as listed below:

Accident, Sur. 2365; Alameda, Sur. 1904; Alice Nora, Sur. 1787; Anna, Sur. 1977; Apex, Sur. 3666; Baier, Sur. 2365; Barco & Belma, Sur. 10464; Baby, Sur. 2230; Bassett Jr., Sur. 2483; Big Chief, Sur. 5027; Black Warrior, Sur. 2288; Blue Jay, Sur. 2366; Bright Sun 7, Sur. 2044; Butte (Bi-Met), Sur. 1901; Bullion, Sur. 1971; Bob Cat, Sur. 10499; Clear Grit, Sur. 1902; Camas, Sur. 2183; Camas Fract, Sur. 3321; Chemical, Sur. 10113; Cincinatti, Sur. 2385; Cleveland, Sur. 1457; Divide, Sur. 1724; Douglass, Sur. 2053; Douglass No. 2, Sur. 2059; Duck Bi-Met, Sur. 4218; Eastern Gran. Mt., Sur. 1458; Erm, Sur. 10236; Edmonds, Sur. 1976; Elizabeth, Sur. 1550; Emma J., Sur. 4413; Fardown Ext., Sur. 1338; Fraction (Granite), Sur. 1454; Fanny Parnell, Sur. 1738; Fraction (Bi-Met), Sur. 1903; George Henry, Sur. 3323; Granite Mt., Sur. 1299; Granite Mt. Ext., Sur. 1300; Great Maria, Sur. 2367; undivided 2/3 interest in Gen. Garfield, Sur. 1723L101A; Hickum, Sur. 10641; Harrison, Sur. 1791; Hidden Treasure, Sur. 2904; Home Office, Sur. 1747; Hauchuca, Sur. 2323; Humming Bird, Sur. 1455; Henry, Sur. 4133; Gladitor, Sur. 2566; Granite Mt. Spur, Sur. 1691; Illogan, Sur. 3320; Illogan Fr., Sur. 10235; James G. Blaine, Sur. 1393; John H. Frac., Sur. 3668; Lost, Sur. 2905; Little Daisy, Sur. 1905; Mamie H., Sur. 2389; Martha Washington, Sur. 2381; Midland, Sur. 1394; Monk, Sur. 2051; Mrs. Zeus, Sur. 2045; Mamie L., Lot 185, Sur. 2379; North Star, Sur. 10112; Original, Surl 1933; O'Donnell, Sur. 2107; Old Ireland, Sur. 2108; Old Man, Sur. 2390;

2. APPLICANT'S RIGHTS IN LAND

2.(b): Granite mining claims continued:

Olive, Sur. 4064; Peer, Sur. 1301; Piano, Sur. 2335; Parade Ground, Sur. 2308; Pride of the Dell, Sur. 2150; Pride of the West, Sur. 2149; Raquette, Sur. 4134; Rattlesnake, Sur. 1900; Rock Point, Sur. 1725; Reindeer, Sur. 2510; undivided 2/3 interest in Rainbow, Lot 95, Sur. 1915; Sawtooth, Sur. 4561; Scranton, Sur. 3667; Silver Peak, Sur. 2309; Second Thought, Sur. 1958; Shakespear, Sur. 3152; Sultana, Sur. 2336; Sea Mew 165-176, Sur. 2337; Sunny Side, Sur. 1692; Sunny Side Spur, Sur. 1973; Sunny Side Ext., Sur. 1721; Twin Fract., Sur. 3390; Tear Away, Sur. 2109; Ten Acre, Sur. 4414, Washington, Sur. 1978; Wasp, Sur. 2210; Western Central, Sur. 3669; Wedge, Sur. 10234; Wilmington, Sur. 2456; Zues & Zues MS., 127B, Sur. 1979; Charles Amd., Sur. 5976; Silver Wing Amd., Sur. 5977; Brian & Boru Placer, Sur. 2332; undivided 5/6 interest in Wm. Windom, Lot 104 A & B, Sur. 1733; Lot 2 in Section 36, and all lessor's interest in the Southwest Quarter of the Southeast Quarter (SW¼ SE¼) of Section 25, in Township Seven (7) North of Range Fourteen (14) West of the Montana Meridian.

2. APPLICANT'S RIGHTS IN LAND

2. (c): None

3. PHYSICAL DESCRIPTION

3.(a): The Trout operations, consisting of the Algonquin, Coyle, Trout and Mullan mines, have produced manganese dioxide and zinc - lead - silver ores for the past 60 years. These mines have been opened by surface pits, adit tunnels and shafts. The main operating shaft, the Algonquin, is 1,000 feet deep and has active levels at the 300 - 600 - 800 and 1,000 foot stations. This shaft is the only 3 compartment shaft in the district and is the deepest active shaft in the district.

At this time, the known underground manganese dioxide ores have been depleted, and the only manganese production is from the small surface "Tree Top" open pit, from which about 400 tons of low grade ore are produced per month.

The Algonquin shaft is presently producing zinc - lead - silver ores at a monthly rate of between 2,000 and 3,000 tons from the following levels:

300 level	-	300 tons
600 level	-	1400 tons
800 level	-	800 tons

The 1,000 level has recently been dewatered after being flooded for about 24 years.

Map #3.(g) - 2: outlines the general geology of the areas from which manganese dioxide and zinc - lead - silver ores were produced. The longitudinal section of the Pocahontas vein ($A-A_1$) outlines the limestone and the quartzite areas that have been prospected and mined and now indicate the definite possibilities of containing substantial tonnages of zinc - lead - silver ores in the vein in the quartzite below the 800 and 1000 foot levels.

The property is equipped with compressors, mine hoists, repair shops and all the necessary underground equipment for drifting, raising and stoping. The property is also equipped with a 60 ton per day capacity manganese dioxide mill that was closed down in June 1961, and is presently maintained on a stand-by basis. A zinc - lead - silver mill, with a daily capacity of about 130 tons, is presently operating on a 7 day per week basis on Trout and custom ores. This flotation mill is the only zinc - lead - silver beneficiation plant in the Philipsburg mining district.

3. PHYSICAL DESCRIPTION

3.(b): Since June 1960, Charles A. R. Lambly, has been President of the Company and has directed the rehabilitation of the Algonquin shaft, exploration in the Flathead and Spokane quartzite, rehabilitation of the manganese dioxide and zinc - lead - silver mills and the exploration programs for further lateral and vertical exploration and development of the fissure veins containing zinc - lead - silver ores in the quartzite formations.

The exploration and development of commercial zinc - lead - silver ores in the Spokane quartzite is vital to the future success of the Trout operations, and could favorably affect future exploration and production activities in the Philipsburg mining district.

3.(c): Production Records

Due to low metal prices and discouraging results from exploration, the pumps were pulled from the 1,000 foot level of the Algonquin Mine in January, 1938, and the mine workings were allowed to flood. Production records prior to 1938 are incomplete, but it is known that manganese and zinc - lead - silver ores have been produced more or less continuously since the early 1900's.

Production from 1938 through 1958 was maintained by leasing. During this period there were no major planned exploration projects for zinc - lead - silver ores. During 1951 a selective flotation plant was constructed and accurate records of concentrates production have been maintained since that date and are on file in the Philipsburg office.

Since the latter part of 1960, production of zinc - lead - silver ores has come from new exploration and development projects on the lower Algonquin levels. These areas were allowed to flood in 1938 and have recently been dewatered.

3. PHYSICAL DESCRIPTION

3.(c): Production Records

ZINC CONCENTRATES

YEAR	TONS	OZ/Ag PER TON	% Pb	OZ/Au PER TON	% Zn
1961	2,672	25.81	0.70	0.06	56.01
1960	3,540	31.70	1.65	0.06	55.23
1959	699	37.76	3.23	0.06	49.53
1958	1,367	50.67	2.75	0.08	51.55
1957	2,282	65.37	2.83	0.08	51.75
1956	2,048	66.67	2.93	0.08	50.84
1955	1,892	75.82	3.08	0.08	47.51
1954	2,063	63.75	3.83	0.07	47.88
1953	1,512	43.75	4.64	0.07	47.35
1952	740	50.54	4.39	0.05	45.76
1951					
1950					

3. PHYSICAL DESCRIPTION

3.(c): Production Records

CRUDE SILVER ORE

YEAR	TONS	OZ/Ag PER TON	% Pb	OZ/Au PER TON	% Cu
1961 (9 mos)	-	-	-	-	-
1960	-	-	-	-	-
1959	-	-	-	-	-
1958	-	-	-	-	-
1957	-	-	-	-	-
1956	-	-	-	-	-
1955	365	49.01	3.77	0.05	0.20
1954	199	102.55	5.91	0.09	0.34
1953	198	20.37	18.61	0.02	0.11
1952	-	-	-	-	-

3. PHYSICAL DESCRIPTION

3.(c): Production Records

LEAD CONCENTRATES

YEAR	TONS	OZ/Ag PER TON	% Pb	OZ/Au PER TON	% Cu
1961 (9 mos)	619	248.56	38.28	0.11	6.48
1960	541	249.86	42.59	0.10	6.16
1959	111	229.59	42.05	0.09	4.87
1958	216	382.19	48.85	0.18	2.93
1957	573	290.13	42.36	0.17	2.20
1956	644	274.59	42.24	0.18	1.49
1955	458	322.10	47.72	0.16	1.40
1954	399	315.11	52.88	0.15	1.12
1953	301	153.47	44.42	0.08	0.42
1952	182	276.55	38.46	0.09	1.45

3. PHYSICAL DESCRIPTION

3.(c): Production Records

MANGANESE

YEAR	TONS Concentrates 60-70% MnO2	TONS Concentrates 35-55% MnO2	TONS Crude Ore 30% MnO2
1961 (9 mos)	551	975	-
1960	719	1,375	-
1959	2,739	2,344	-
1958	1,725	2,831	1,750
1957	1,103	3,060	6,659
1956	1,244	2,848	9,876
1955	8,595	4,704	3,130
1954	11,758	3,846	3,634
1953	10,058	5,270	5,000
1952	7,885	5,758	485
1951	4,534	5,650	-
1950	3,016	5,094	-
1949	3,941	4,970	-
1948	3,289	3,030	-
1947	1,893	3,250	-
1946	1,862	2,753	-
1945	509	3,805	-
1944	595	4,409	11,400
1943	969	5,794	30,012
1942	1,998	4,599	8,093
1941	1,704	3,637	1,129
1940	2,292	3,136	-
1939	1,990	1,335	-
1938	1,767	-	-

3. PHYSICAL DESCRIPTION

3.(d): Ore Reserves - Algonquin Shaft

Formations	Vein	Level	Tons Possible	Tons Probable	Tons Proven	Tons Total
Hasmark	Pocahontas	1000	6,000	6,000	12,500	24,500
Silver Hill	Coyle	300	1,000	1,000	500	2,500
Silver Hill	Coyle	600	2,000	1,500	2,000	5,500
Quartzite	Pocahontas	600	-	250	600	850
	Pocahontas	800	8,000	4,000	2,000	14,000
	Pocahontas	1000	-	-	-	-
		TOTALS:	17,000	12,750	17,600	47,350

NOTE (a); No tonnage estimate has been made for the possible ore in the Pocahontas vein between the 800 level and the 1000 level. This area will be explored by the proposed drift on the 1000 level. The area could contain between 50,000 and 150,000 tons of zinc - lead - silver ores.

Estimated Grade - Algonquin Mine

Formation	Vein	Level	Tons Proven	Diluted Grade Zn	Pb	Ag	Cu
Hasmark	Pocahontas	1000	12,500	8.92	no assay	13.72	-

REMARKS: This ore block lies below the 1000 level and was drilled and sampled in 1937. Information from Company records.

3. PHYSICAL DESCRIPTION

3.(d): Estimated Grade - Algonquin Mine (cont'd)

Formation	Vein	Level	Tons Proven	Diluted Grade Zn	Pb	Ag	Cu
Silver Hill	Coyle	300	500	8.60	4.78	17.00	-
REMARKS: Replacement deposit, now in production, square set timber stope. Blend advance.							
Silver Hill	Coyle	600	2,000	8.40	2.12	22.6	-
REMARKS: Replacement and fissure deposits, 2 stopes now in production.							
Quartzite	Pocahontas	600	600	7.59	0.47	6.09	0.25
REMARKS: Broken ore in shrinkage stopes.							
Quartzite	Pocahontas	800	2,000	11.7	1.54	12.06	0.30
REMARKS: Broken ore in shrinkage stopes, balance outlined with drift and raises.							
Quartzite	Pocahontas	1000	-	-	-	-	-
REMARKS: See note (a).							
		TOTALS:	17,600				

Average diluted mill heads July, August and part of September, 1961:

6,762 tons 9.26 Zn 1.13 Pb 10.97 Ag

Sampling of the vein (fissure deposits in the quartzite) is conducted as follows:

1. A channel is cut across the high grade ore zone. This cut cannot be "salted" as the sample contains only high grade ore. The high grade ore zone is measured.

2. The vein structure is measured but not sampled even if it contains small stringers of high grade ore.

3. The mining width is measured.

4. The estimate of the ore "diluted" is calculated as follows:
   The assay of (1) plus the total mining width (3) less the assayed width (1) giving the difference between ore and waste. All material not included in the high grade sample is assumed to be waste, even if small high grade ore stringers are visible.

3. PHYSICAL DESCRIPTION

3.(d): Estimated Grade - Sampling of vein (cont'd)

4. The resultant figure calculated, (1) ore and (3) waste, gives the estimated diluted grade of the ore to be mined. This procedure avoids salting the samples with high silver values, and will check the mill head sample.

Mill heads samples are automatically cut every 15 minutes after grinding.

*NOTE: Assay maps are not available. Assay certificates and Company records are available. These are on file at the Company office, Philipsburg, and are too voluminous to include with this report.

3.(e): Introduction

The Trout Mining Company claims are located 1.5 miles east of Philipsburg, Granite County, Montana in the Flint Creek Mining District. The claim group lies in the NE¼ SE¼ SW¼, SE¼ NE¼ SW¼ and the SE¼ of section 30 and portions of the SE¼ SW¼ and the W½ SW¼, Section 29, T7N, R13W.

This area is readily accessible by well maintained all-weather roads built along the Camp Creek and Frost Creek canyons.

Philipsburg mines have been the chief source of manganese ores in the United States; rhodochrosite and pyrolusite being the chief ore minerals. From 1864 to 1918 the mining camps of the district were rich silver producers. From 1918 to 1958 the chief aim of these mines was the production of manganese ores with subsidiary sulphide products. In 1958, with the end of government stockpiling of manganese, interest in the potential of the lead - zinc - silver deposits was re-awakened. In 1959 and 1960 the Trout Mining Company re-opened some of the old workings of the Granite-Bimetallic mine. The evaluation of this property did not disclose any ores mineable at current metal prices.

In 1960 and 1961 the Trout Mining Company re-opened the 800 level of the Algonquin mine and drove a drift on the Pocahontas vein through the Flathead quartzite into the Spokane formation. It is interesting to note that (1) the Spokane formation was previously considered a poor host rock and (2) this is the first technical exploration made of this formation underground. The drifting on the 800 level proved (1) the Spokane a good host rock for sulfide mineralization, (2) the Pocahontas vein increases in width from the 400 level to the 800 level and (3) copper and zinc values have increased with depth. The results of this exploration indicate the possibilities of discovering substantial zinc - lead - silver ore bodies along the fissures in the Spokane quartzite below the 800 level - elevation 5193 Feet.

3. PHYSICAL DESCRIPTION

3.(e): General Geology

The sedimentary formations on the Trout claims are composed of the following units:

Devonian	-	Jefferson limestone
Silurian	-	Maywood formation
Cambrian	-	Red Lion formation Hasmark limestone Silver Hill garnet shale Flathead quartzite Angular unconformity
Pre-Cambrian	-	Spokane formation - angular unconformity

A more detailed description of these formations may be found by consulting the bibliography of this report.

The predominate igneous rock type of this area is the Tertiary granodiorite of the Philipsburg batholith. The main granodiorite batholith has engulfed the eastern portion of these claims. Granodiorite and diorite sills and dikes are found bisecting the sedimentary rocks.

Intense alteration has taken place at the contact of the granodiorite and sediments. Garnet, amphibole and metamorphic silicates are found as far as a mile away from the contact.

Structure

The Philipsburg anticline is the dominant structural feature on the Trout Mining Company property. The anticline is a broad arch that plunges 17° - 35° N. Dips on the east limb range from 30° to 55° and on the west limb from 40° to 70°. The thickness of the limestone formations on the eastern limb of the anticline have been reduced by the compressive force of the intruding granodiorite against the quartzites.

Bedding faults occur between the Hasmark - Silver Hill, the Red Lion - Maywood, and the Jefferson - granodiorite.

The Redemption fault on the west limb is a pre-granodiorite fault which strikes about N. 40° W. and dips 78° N.E.

3. PHYSICAL DESCRIPTION

3.(e): Ore Deposits

Sulphide mineral deposits of the district are found both as replacements and fissure fillings. Commercial manganese deposits are confined to replacement deposits in limestones and shales.

East - west trending faults favorable for ore deposition are post-granodiorite in age. These veins usually dip very steeply to the south. Post mineral movement on the vein was of small measure with the north wall moving easterly.

Those mineral deposits in the Hasmark and Silver Hill formations are chiefly classified as fissure fillings and replacements and those in the Flathead and Spokane formations are now known to be fissure fillings.

Minerology

In the oxidized zones native silver, proustite, galena, sphalerite, ankerite and calcite are common. Manganese oxides, chiefly pyrolusite, grade from the oxidized zone into the unoxidized rhodochrosite. Rhodochrosite was one of the last minerals deposited and is in association with some pre-rhodochrosite lead and zinc.

Unoxidized ores are composed of galena, sphalerite, tennantite, enargite and the ruby silvers. Since proustite has been found on all levels of the mine and in the unoxidized ore, it is considered a hypergene mineral.

Copper values in the quartzitic formations are considerably higher than in any of the other formations. Gold values are very low in the veins, but assays of 0.1 oz. are not uncommon.

The Trout Mining Company has developed limited tonnages of ore in the quartzites on the 600 and 800 levels. Vein measurements indicate a widening of the ore structure and sulphide vein materials from the 600 to 800 levels. In the Spokane quartzites, the Pocahontas vein is particularly wide at its intersection with northwest trending shear zones.

Ore values, in the quartzites, are increasing in copper and zinc content at depth. Silver and lead contents are as uniform on the 800 level as they were on the 600 level. Vein brecciation is more apparent in and adjacent to the vein, with depth. From the Algonquin 400 level to the 800 sill, vein material has exhibited better developed banding and vuggy areas more typical of a fissure filled vein.

It is this Company's opinion, based on the increase in ore width between the 600 and 800 levels by 150%, and the increase in metal content between levels, that further exploration on the 1000 level or deeper could substantially increase the operating life of this mine.

3. PHYSICAL DESCRIPTION

3.(e): Biblography

EMMONS, W. H. & CALKINS, F. C.: "Geology and Ore Deposits of the Philipsburg Quadrangle, Mont.; U. S. Geol. Survey Prof. Paper 78

EMMONS & CALKINS, U. S. Geological Survey, Geology Atlas, Philipsburg Folio No. 196

GODDARD, E. N.: "Manganese Deposits at Philipsburg, Granite County, Montana", Geological Survey, Bulletin 922-G.

WALKER, D. D.: "Tungsten Resources of Montana; Deposits of the Philipsburg Batholith; Granite and Deer Lodge Counties", Bureau of Mines, Report Invest. 5612.

3.(f): During the past two years, a special effort was made to explore the Pocahontas vein in the Flathead and Spokane quartzites on the 400 and 600 levels of the Algonquin mine. Small tonnages of zinc - lead - silver ore were extracted. In 1960 the 600 level started to produce zinc - lead - silver ores from the Pocahontas vein. The ores produced were not of commercial grade due to excessive waste dilution. The vein varied between 1" and 16". It was noticed that there was a slight increase in the size and sulphide content of the vein between the 400 and 600 levels. This observation resulted in dewatering the 800 level of the Algonquin shaft and rehabilitating the 800 level to the Pocahontas vein. In June 1960, a drive was started westward on the Pocahontas stringer. After 30 feet of drifting, the stringer intersected a parallel stringer and the vein opened to about 12" of good sulphide zinc - lead - silver ore. The drift was continued westward for a distance of about 1,000 feet on the Pocahontas vein. This drift explored two ore shoots, the first about 500 feet long and the second about 300 feet long with ore still exposed in the face. The vein exposed in these ore shoots has an average increased width of about 150% to 200% over the widths exposed on the 600 level. The widths vary between 4" and 48".

The assays of the high grade zinc - lead - silver sulphide ores vary between 15% and 35% zinc, 1% and 5% lead and 5 oz. to 60 oz. silver. By careful sampling control and mining methods these ores can be and are now being extracted by narrow shrinkage stopes in sufficient volume to be economical.

The results obtained on the Pocahontas vein on the 800 level in the Spokane quartzites, lead the Company to believe that the fissure structure will continue to widen with depth and may continue to increase in the volumes of zinc - lead - silver contained.

3. PHYSICAL DESCRIPTION

3.(g): List of Maps - Enclosed

3.(g) - 1:	Algonquin 1,000 level	Scale 1" - 50'
3.(g) - 2:	Geologic Map & Longitudinal Section	Scale 1" - 200'
3.(g) - 3:	Property Map - Trout Mining Company	Scale 1" - 200'
3.(g) - 4:	Longitudinal Section Parallel To Coordinate 5050W	Scale 1" - 200'

4. ACCESSIBILITY OF PROPERTY

4.(a): Mr. Charles A. McKinley
General Manager
Philipsburg, Montana
Telephone No.: 1

From Missoula, Montana:
East on Highway 10 to Drummond, then south on Highway 10A to Philipsburg. Total distance - 80 miles.

From Butte, Montana:
West on Highway 10 to Highway 10A north to Philipsburg. Total distance - 55 miles.

4.(b): Shipping and supply point - Philipsburg, Montana, about 1½ miles from the mine.

5. EXPLORATION WORK

5.(a): The proposed exploration project on the Pocahontas vein is as follows:

From the 1000 level and about 600 feet north of the Algonquin shaft, the drift will be started along the Pocahontas vein structure in a westerly direction for a distance of 1500 feet. The drift will generally follow the Pocahontas vein, but may be located in the footwall or hanging wall of the vein, to expedite drifting, diamond drilling or ore extraction. This drift would be in Flathead and Spokane quartzite formations. It is expected that two water channels will be cut at about 300 feet and 1200 feet from the starting point of the drift. This assumption is based on the fact that during the drive on the Pocahontas vein 800 level, directly above the proposed 1000 level drive, two water courses were cut. These water courses may cut the 1000 level drive at about 300 feet and 1200 feet and take about five months to drain.

Diamond drill stations for dewatering at 300 feet and 1200 feet - two stations each about 1200 cu. feet.

Diamond drill stations for exploration at 600 - 900 - 1500, three stations each about 1200 cu. feet.

Diamond drilling - Water holes: 400 feet - short holes into water course
Exploration: 1000 feet - 10-100 ft. holes N. & S. of drift

See - Map - Geology - with long section

See - Map - Drift and DD layout

5.(b): No road work required.

5. EXPLORATION WORK

5.(c): Work would start as soon as O. M. E. contract is executed.

It is estimated that the project would be completed in 16 months.

Drifting	-	150 feet per month	- 10 mos.
Water delays	-		- 5 mos.
Drilling stations	-	5 - 6000 cu. feet	- 1 mo.
Diamond drilling	-	1400 feet	- 6 mos.

See time schedule chart.

Average drifting rate is based on drifting experience during 1960 in the same quartzite formations on the 800 level, Pocahontas vein, 200 feet directly above the proposed drift.

Average number of miners per shift - 2
Average number of shifts - 2
Average days per month worked - 22
Average advance per shift - 4'
Average efficiency - 75% to 85%
Estimated footage per month - 135' to 150'

6. EXPERIENCE

1927 - 1951: Engineer - Superintendent-Manager
In charge of exploration and development of Pend Oreille Mines & Metals Co. Properties at Metaline Falls, Washington. Ore reserves from nil to several millions of tons, low grade head zinc ores in flat bedded deposits from 100 tons per day to 2400 tons per day.

1927 - 1951: Engineer - Director of Operations
Developed reserves MacDonald Mines Lt. properties near Salmo, B.C., Canada. Ore reserves from 500,000 to 3,000,000 tons of low grade head zinc ore in steep bedded deposits. Production from nil to 1200 tons per day.

1952 - 1960: Manager - Mining Division American Metal Climax Inc., New York City. Development of various properties in the United States, Canada and Mexico, plus inspection and consulting in other areas. Direction of evaluation of exploration projects before development.

June, 1960 - to date: President - Trout Mining Co., 233 Broadway, New York, N. Y.

7. ESTIMATE OF COSTS

7.(a): Diamond Drilling:

Water holes - 400 feet - BX - @ $7.00.	$ 2,800.00
Mobilize and demobilize equipment - 2 periods due to timing at water intersections - @ $700.00.	1,400.00
Estimate - 100 feet - reaming @ $4.00 per ft.	400.00
Estimate - 100 feet - casing @ $4.00 per ft.	400.00
Estimate - water control valves and misc. pipe fittings.	100.00
Water control drilling	$ 5,100.00

Exploration Drilling:

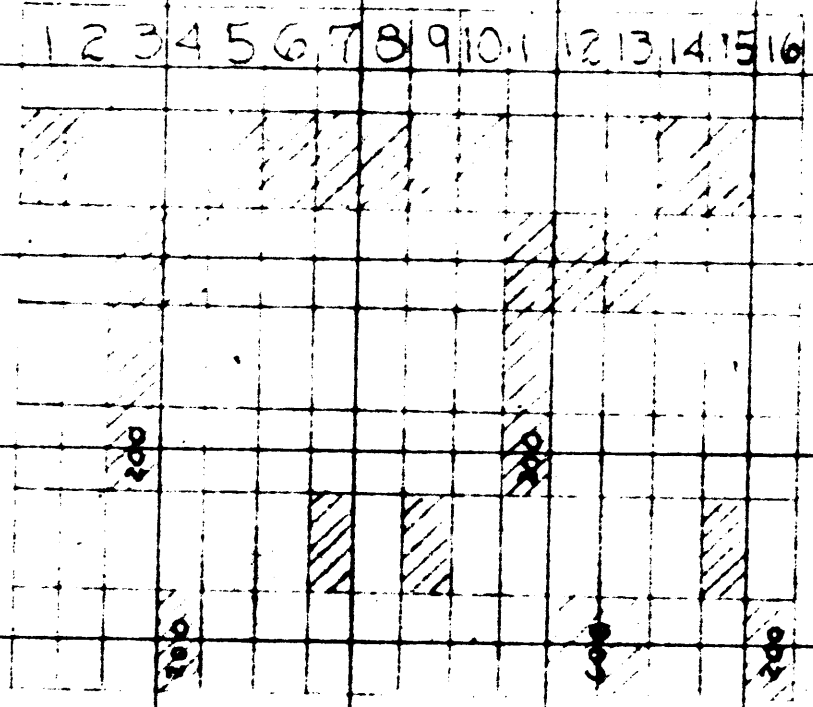
10 - 100 ft. holes - AX - or 1000 ft. @ $6.50	$ 6,500.00
Mobilize and demobilize - 1 period of drilling at face of drift - $700.00	700.00
Estimate - 100 ft. - reaming and casing @ $8.00 per ft.	800.00
Core boxes - 1000 feet capacity	200.00
Exploration drilling	$ 8,200.00
TOTAL DRILLING.	$13,300.00

NOTE: Air - water - rail - hoisting and miscellaneous services will be available during drifting and the stand-by periods when the possible water areas are being drained. No charge for these services are included in the estimated diamond drilling cost. Copies of letters indicating possible diamond drilling costs per foot are attached.

5-C EXPLANATION

TIME SCHEDULE

1,500 ET OF DRIFTING WEST ON
POCAHONTAS VEIN, 1,000 LEVEL
ALGONQUIN SHAFT



R. S. McClintock DIAMOND DRILL COMPANY

CONTRACTING • DIAMOND DRILLS AND SUPPLIES • DIAMOND BITS

PHONE TE 8-3588

POST OFFICE BOX 66
W. 418 2ND AVENUE
SPOKANE 10, WASH.

September 12, 19[illegible]

[illegible] Company
[illegible]psburg
[illegible]

ATTENTION: Mr. Charles Lambly

Dear Mr. Lambly:

We understand that you desire tentative quotations for approximately 5000' of underground drilling near Phillipsburg, Montana. Holes to be drilled to depths of 400' to 800'. Air and water to be furnished to hole locations by your company.

We propose to furnish personnel, diamond drill, pump, rods, casing, core barrels, diamond bits and shells and all other accessories necessary to perform this work, except sample containers, for the following prices per foot:

Size	Footage	Price per foot
2X Drilling	0' - 250'	$7.00
2X "	250' - 500'	7.50
2X "	500' - 750'	8.25
2X "	750' - 800'	9.00
3X "	0' - 250'	[illegible]
3X "	250' - 500'	[illegible]
3X "	500' - 750'	[illegible]
3X "	750' - 800'	8.50
4X "	0' - 250'	6.00
4X "	250' - 500'	[illegible]
4X "	500' - [illegible]	[illegible]
4X "	750' - 800'	[illegible]

Contractor agrees to mobilize and demobilize its equipment for the lump sum of $[illegible]0.00.

In the event of delays not attributable to fault of contractor or breakdown of his equipment, contractor shall expect to be reimbursed for his continuing costs at the rate of $9.00 per hour.

In the event loose or caving material, water courses or any conditions are encountered which tend to make drilling impractical without the use of casing or cement

[illegible] additional charge of $4.00 per foot for reaming casing and $4.00 per foot for [illegible]acing and drilling cement will be made.

[illegible] employees will be covered by Workman's Compensation to comply with the State [illegible] and the job will be covered by public liability insurance in the amounts of $[illegible]00,000.00 and $300,000.00, and property damage in the amount of $100,000.00.

[illegible] wish to thank you for the opportunity of furnishing this proposal and assure [illegible] of our full cooperation in the event you decide to proceed with this drilling.

Very truly yours,

R. S. McCLINTOCK COMPANY

T. [illegible] WEBSCH
Drilling Supt.

M. [illegible] LEAD
[illegible] Fairmount Pl.
[illegible] 7 4661

J. O. LEAF
E. 8205 Upriver Drive
Phone WAlnut 6-9884

MOREHEAD & LEAF

DIAMOND DRILL CONTRACTORS

N. 5345 Fairmount Place

SPOKANE 15, WASHINGTON

September 18, 1962.

7(a)

[illegible] Company
[illegible], Montana

Dear Sir :

At the request of Mr. Lerblo we are submitting the following quotations on your underground drilling program. It is understood that we contract to drill approximately 5000 lineal feet of diamond drilling with hole depth to 800 feet.

Size	Depth	Price per foot
EX	0 to 300 feet	$6.00
EX	300 to 400 "	6.25
EX	400 to 500 "	6.50
EX	500 to 600 "	6.75
EX	600 to 700 "	7.00
EX	700 to 800 "	7.25
AX	0 to 300 Feet	6.50
AX	300 to 400 "	6.75
AX	400 to 500 "	7.00
AX	500 to 600 "	7.25
AX	600 to 700 "	7.50
AX	700 to 800 "	7.75
BX	0 to 300 feet	7.25

If reaming for casing or cementing of hole is required the price will be fifty percent of the above drilling prices. Placement of casing if hole size is reduced will be fifty cents per foot.

The above prices are subject to any federal, state, or local taxes.

It is assumed that the mining company will furnish sufficient air and water at each drill site for efficient operation and also adequate to supply for use of 10 foot drill rods behind the drill setup or final area.

MOREHEAD & LEAF

By:

Longman

7. ESTIMATE OF COSTS

7.(b): 1500 feet of drift
Pocahontas Vein
1000 level - Algonquin

	% of Time Charged	Per Man Charge Per Month	Time Number of Months	Cost Total
Supervision:				
1 Mine Superintendent	10%	$ 65.00	16	$1,040.00
1 Shift Boss (day)	20%	110.00	16	1,760.00
1 Shift Boss (night)	20%	110.00	16	1,760.00
1 Geologist	20%	110.00	16	1,760.00
		Total		$6,320.00
Cost per foot - $4.21				
Mine Labor - Underground:				
4 Miners - 11 months - drift	100%	$418.66	11	$18,421.04
4 Miners - 2 months - water & S.S.	100%	418.66	2	3,349.28
2 Trainmen & service	100%	418.66	16	13,397.12
		Total		$35,167.44
Cost per foot - $23.45				
Mine Labor - Surface:				
2 Hoistmen	20%	$ 85.32	16	$ 2,730.24
2 Truck drivers & Stations tenders	20%	85.32	10	1,706.40
2 Service - Repairmen	100%	426.58	16	13,650.56
		Total		$18,087.20
Cost per foot - $12.06				
		GRAND TOTAL		$59,574.64

Cost Per Foot - 1500 feet = $39.72

All services are available.

7. ESTIMATE OF COSTS

7.(b): Wages and Salaries Schedule

Period of Employment		Number of Men	Daily Rate	Monthly Rate
16 months	Mine Superintendent	1	$ -	$650.00
16 months	Shift Bosses	2	-	550.00
16 months	Geologist	1	-	550.00
13 months	Miners	4	19.03	-
16 months	Trainmen	2	19.03	-
16 months	Hoistmen	2	19.39	-
10 months	Truck Driver - Tender	2	19.39	-
16 months	Service Repairmen	2	19.39	-

The above estimate of labor cost for the project is based on the assumption that five months of lost time will occur due to the possible necessity of draining large volumes of water from certain zones that will be cut by the proposed drift. See 5.(a).

It is estimated that the labor cost of this lost time due to water will be as follows:

	Charge Per Month	Time Months	Cost Total
Supervision:			
1 Mine Superintendent	$ 65.00	5	$ 325.00
1 Shift Boss (day)	110.00	5	550.00
1 Shift Boss (night)	110.00	5	550.00
1 Geologist	110.00	5	550.00
	Total		$1,975.00
Mine Labor - Underground:			
4 Miners	$418.66	2	$ 3,349.28
2 Trainmen	418.66	5	4,186.60
	Total		$ 7,535.88
Mine Labor - Surface:			
2 Hoistmen	$ 85.32	5	$ 853.20
2 Service - Repairmen	426.58	5	4,265.80
	Total		$ 5,119.00
$9.75 per foot			$14,629.88

In addition items listed on miscellaneous (G) equal 29.6% of total labor cost.

29.6% of the estimated labor cost of handling water ($14,629.88)

Cost per foot - $2.89 per foot - Total. . . . . $ 4,330.44
Cost per foot - $12.64 per foot - Grand Total $18,960.32

7. ESTIMATE OF COSTS

7.(c): Operating Material & Supplies

Powder:	4 ft. - 75 lbs. @ 23¢ . . . . $17.25 32 delay @ 30¢. . . . 9.60 50' wire @ 1¢ 50 $27.35	
	1500 feet @ $6.85 per foot.	$10,275.00
Bits:	1 bit per ft. drift $3.75 or 12¢ per ft. drilled	
	1500 feet @ $3.75 per foot	5,625.00
Steel:	Estimate $1.00 per foot of drift	
	1500 feet @ $1.00 per foot	1,500.00
Rail:	Second hand - 12 lb. @ 8¢ per foot	
	3000 feet @ $.08 per foot	240.00
	Ties - fish plates - spikes, etc.	240.00
Water and Air lines:	1500 ft. 6" spiral @ $1.24	1,860.00
	75 Victaulic couplings @ $7.85	588.00
	1500 ft. 2" pipe with fittings @ 30¢	450.00
Ventube:	1500 ft. 12" @ $1.08	1,620.00
Air and Water hose:	200 ft. 1" @ $1.04	208.00
	200 ft. ½" @ $.66	132.00
Timber:	20 sets - 100 ft. 1 set equals 334 board ft. @ $20.00 per set.	400.00
Power:	$100.00 - $150.00 per month for 15 mos. . . .	1,500.00
	TOTAL COST	$24,638.00

Cost per foot - (1500 feet) - $16.43

7. ESTIMATE OF COSTS

7.(d): Operating Equipment - Owned by Trout

Condition and Fair Market Value of Equipment

	Condition	Value
1 - Double Drum Vulcan hoist	Excellent	$ 8,500.00
1 - Type 10 Imperial compressor	Good	2,500.00
1 - 1½ ton Battery Locomotive - trammer	Fair	500.00
10 - 16 cubic feet mine cars	Fair	1,000.00
1 - Ventilation fan	Good	400.00
3 - IR-39 Jackleg drill machines	Good	1,200.00
1 - 12-B Mucking machine	Fair	800.00
1 - Submersible dewatering pump	Good	2,500.00
6 - Centrifugal dewatering pumps	Good	5,400.00
2 - Cages and Skips	Fair	800.00
Shop Equipment:		
Lathe, Welder, Dies, Small electrical hand tools	Good	3,500.00
1 - Ford - 2 ton dump truck (waste disposal)	Good	2,500.00
	TOTAL. . .	$29,600.00

7.(e): Initial Rehabilitation

The Algonquin shaft has been rehabilitated to the 1000 level. The 650 foot X-cut from the Algonquin shaft has been rehabilitated and the face is ready to be advanced. This work required 6 months with a crew of between 2 and 7 men per day. Pumps have been installed, capacity 350 gals. per minute and are now in operation. All operating equipment is in a good state of repair. No new expenditures estimated.

7.(f): No new buildings required.

7. ESTIMATE OF COSTS

7.(g): Miscellaneous

Estimated Cost of Repairs and Maintenance

TYPE	MATERIAL	COST
Vulcan Double Drum Mine Hoist:		
Drum Hub bronze bushings	Four	$ 600.00
Brake Band Lining		110.00
Type 10 Imperial Compressor:		
Valves	Eight	80.00
Eccentric	Two rods	100.00
Main Bearing	Two complete	485.00
1½ Mancha Tram Motor:		
Battery	One set	1,500.00
Wheels	One set	226.00
Misc. - Parts, Electrical, etc.		200.00
16 cu. ft. Mine Cars:		
10 sets of trucks with wheels and bearings		1,000.00
1R - 38 Jackleg Machines:		
Three chucks		150.00
Repairs to Leg - Washers, bushings, etc.		75.00
Misc. machine parts		550.00
Eimco 12B Mucking Machine:		
Bucket and Arms	One set	475.00
Chains, motor bearings, etc.		250.00
Cages and Skips:		
Parts to be fabricated locally	Steel	200.00
Repairs to pumps - Electrical and mechanical misc.		600.00
Shop Equipment:		
Misc. repairs	Small parts	75.00
Ford Dump Truck:		
Tires	Four	350.00
Misc. repairs - Small parts, etc.		150.00
	TOTAL:	$7,176.00

Cost per foot (1500 feet) - $4.78

7. ESTIMATE OF COSTS

7.(g): Miscellaneous

Analytical Work

Accounting:

1 man @ $600.00 per month
1 man @ $400.00 per month

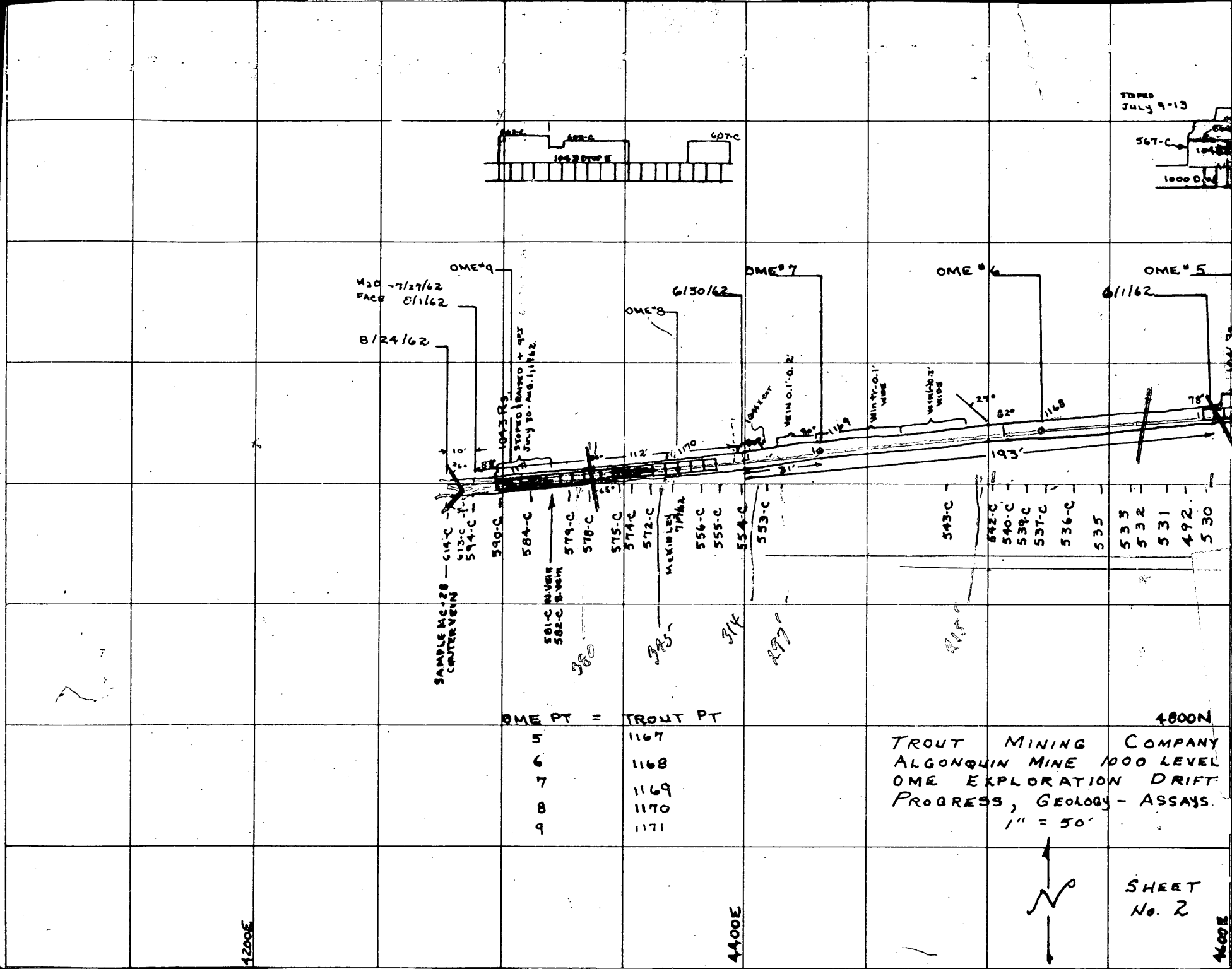
TOTAL: $1000.00

10% of time $100.00 per month for 16 mos.
plus 4 mos. to finalize reports - total
20 months . . . . . $ 2,000.00

Workmen's Compensation: 9.65% of direct labor cost . . .	5,748.95
Unemployment Insurance: 3.1% of 1st. $3,000.00 per year.	1,846.81
Social Security: 3% of 1st. $4,800.00 per year.	1,787.24
Hospital Insurance: 4.5% of annual earnings.	2,680.86
Life Insurance: .5 of 1% of annual earnings	297.87
Holidays: (7 days) app. 2.8% of annual earnings.	1,668.09
Vacations: 3 year men (average) 2.7% of annual earnings.	1,603.52
	$17,638.34

NOTE: Percentage of total labor cost - 29.6% - 7.(b) - $59,574.64

Cost/ft. - $11.76

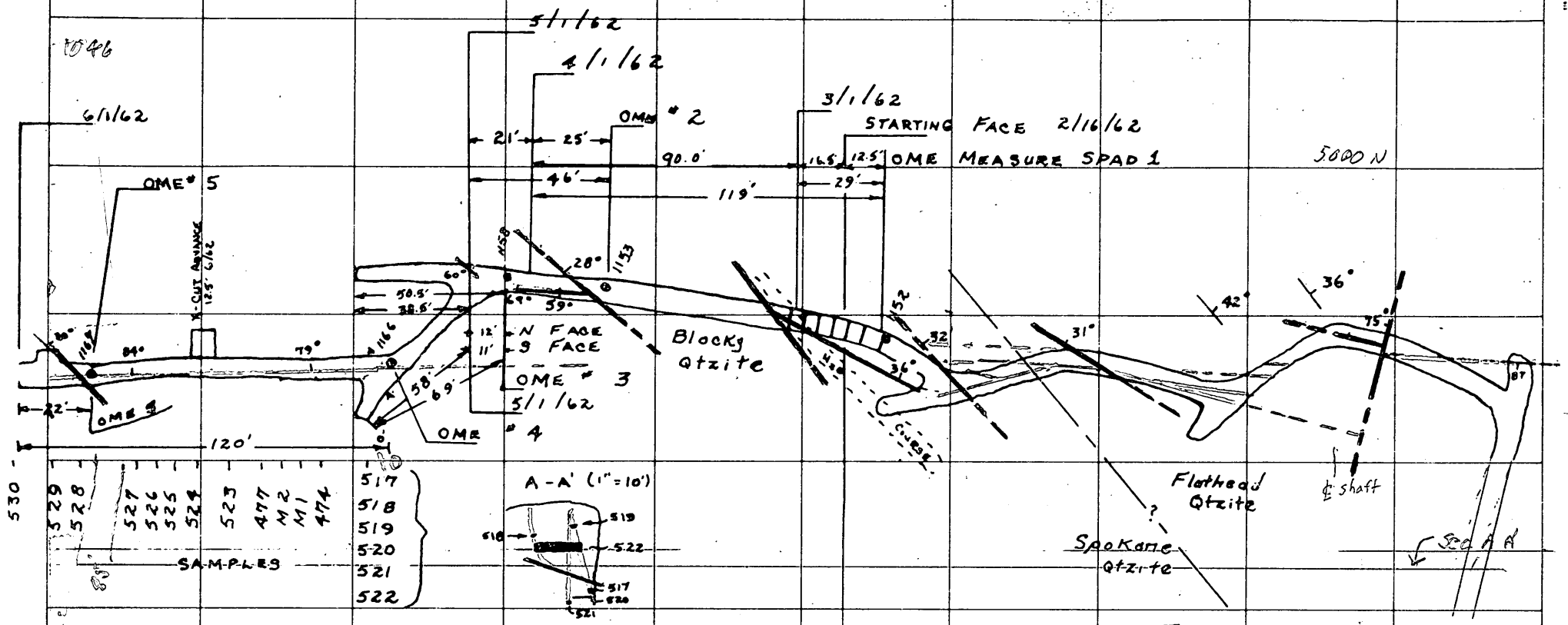


OME PT	=	TROUT PT
5		1167
6		1168
7		1169
8		1170
9		1171

4800N

TROUT MINING COMPANY
ALGONQUIN MINE 1000 LEVEL
OME EXPLORATION DRIFT
PROGRESS, GEOLOGY - ASSAYS.
1" = 50'

SHEET No. 2

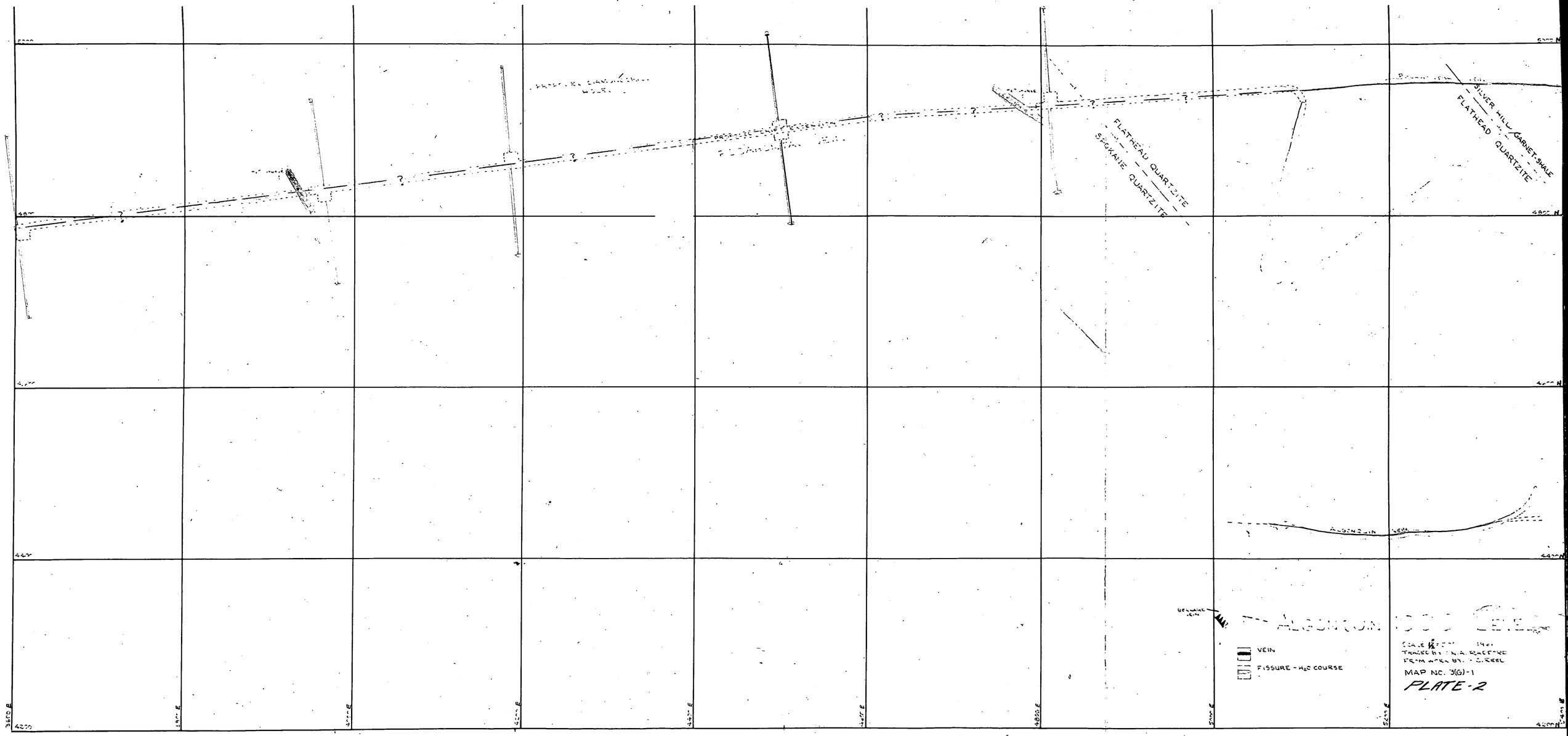


OME Pt.	= Trout Point
1	1152
2	1153
3	1158
4	1166
5	1167

OME STARTING POINT COORDINATE 4865

TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY - ASSAYS
1" = 50'

SHEET No 1


FLATHEAD QUARTZITE
SPOKANE QUARTZITE
SILVER HILL GARNET-SHALE
FLATHEAD QUARTZITE
ALGONQUIN VEIN
VEIN
FISSURE - H_2O COURSE
MAP NO. 3(G)-1
PLATE-2

TROUT MINING COMPANY

PHILIPSBURG, MONTANA

PROPERTY MAP

PLATE-1

N. RADFORD - 1961

SCALE ½" = 200'

¼ SECTION LINE

SECTION LINE

PROPERTY BOUNDARY

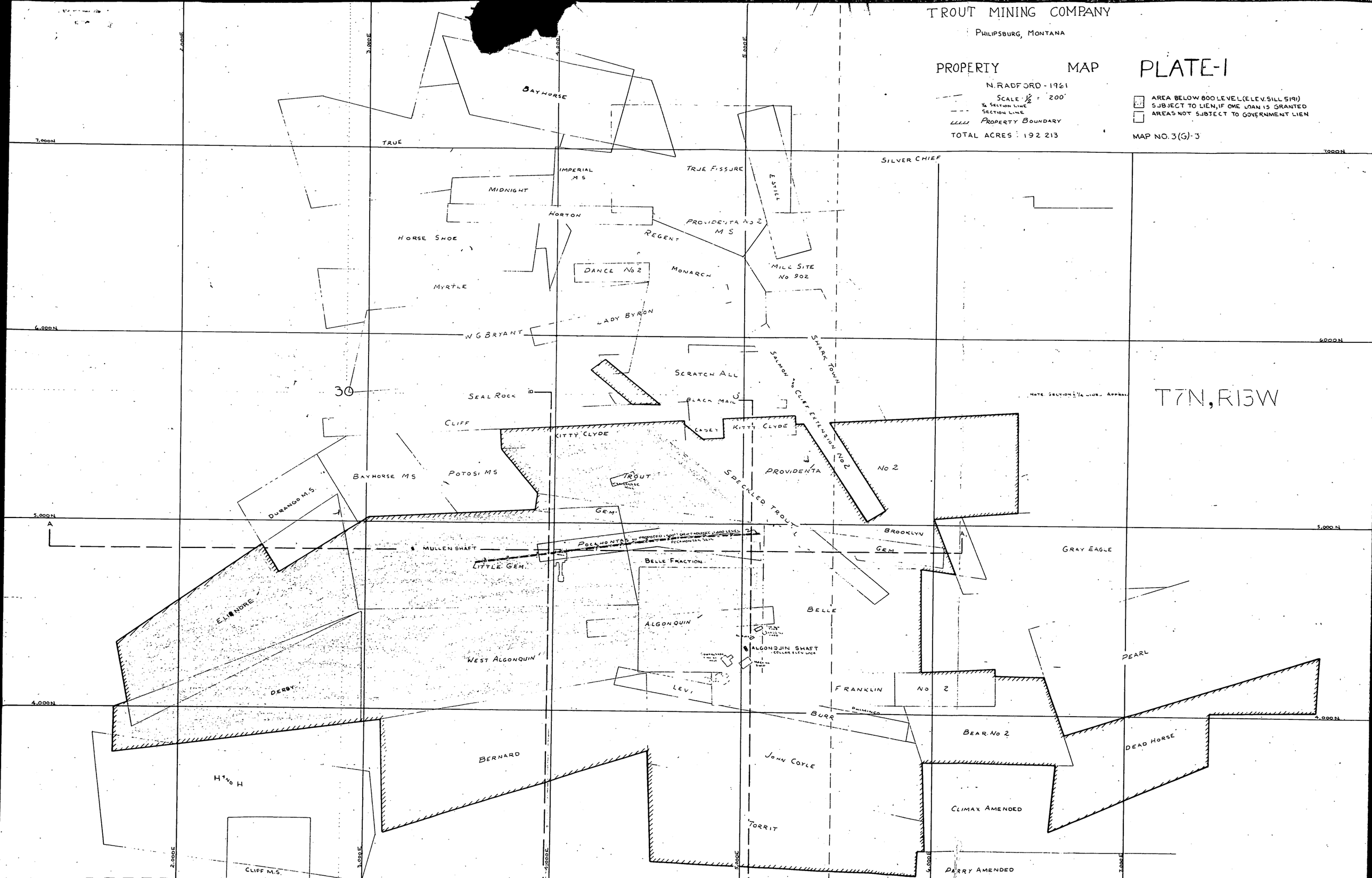
TOTAL ACRES : 192 213

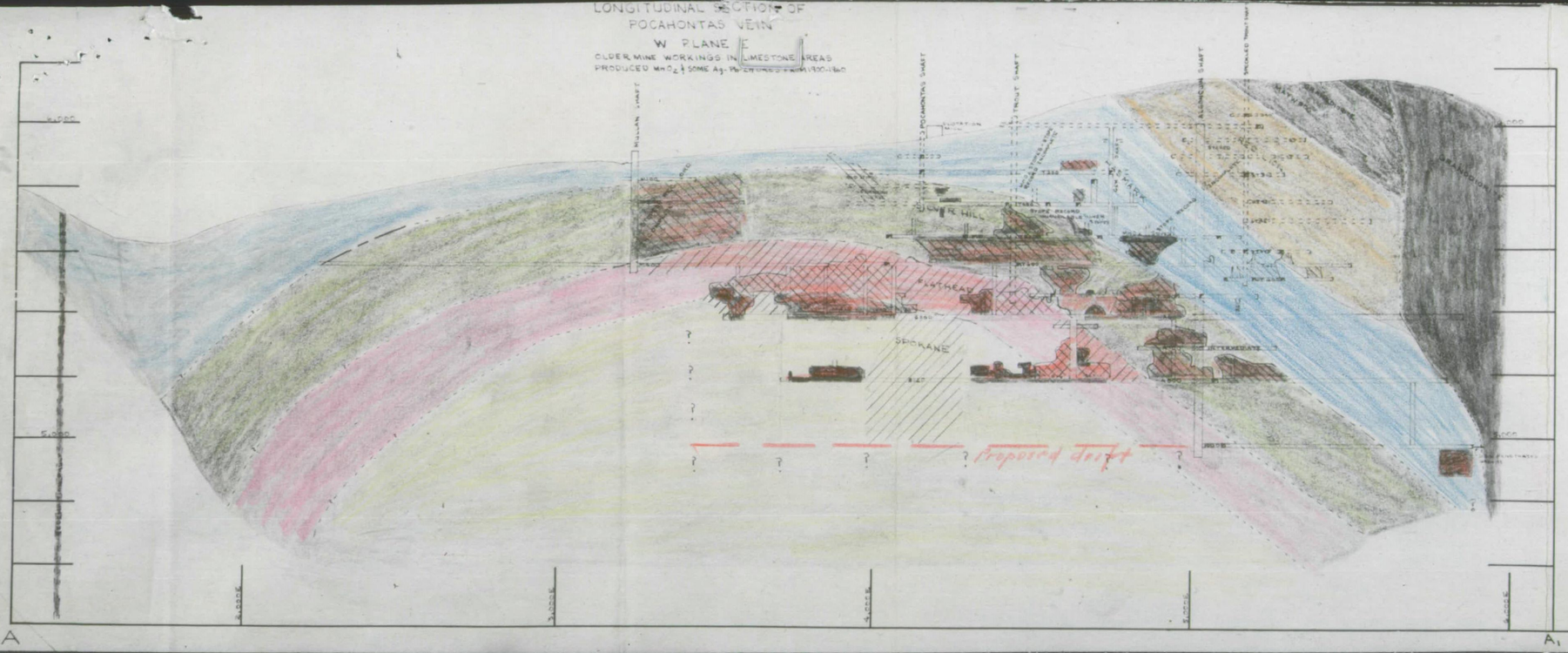
AREA BELOW 800 LEVEL (ELEV. SILL 5191) SUBJECT TO LIEN, IF ONE LOAN IS GRANTED

AREAS NOT SUBJECT TO GOVERNMENT LIEN

MAP NO. 3(G)-3

T7N, R13W





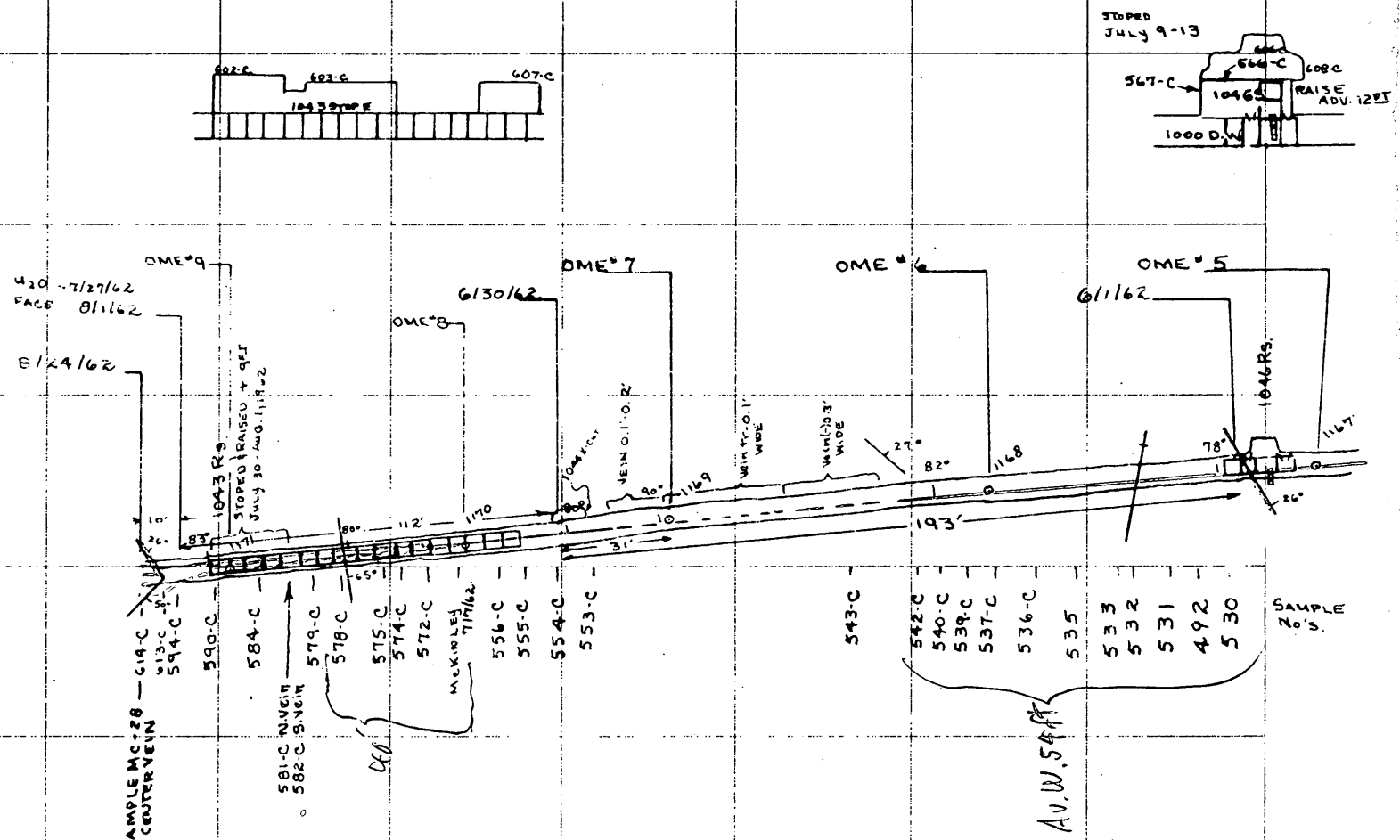
"GEOLOGIC MAP AND
LONGITUDINAL
SECTIONS" OF
TROUT MINING COMPANY
PROPERTY
PHILIPSBURG, MONTANA

SCALE 1"=200' DATE: SEPT., 1961
DRAWN & COMPILED BY: N.A. RADFORD
FROM MAPS BY: MESSRS: REED, OWSLEY, HYDER,
FORSMAN, GODDARD & RADFORD

PLATE-3 MAP NO. 3(G)2.

GRANODIORITE
TERTIARY
JEFFERSON LIMESTONE
DEVONIAN
MAYWOOD SHALE & LIMESTONE
SILURIAN
CAMBRIAN
RED LION SHALE
HASMARK LIMESTONE
SILVER HILL GARNET-SHALE
FLATHEAD QUARTZITE
UNCONFORMITY
SPOKANE QUARTZITE
pre-CAMBRIAN

KNOWN ORE
POSSIBLE ORE
NARROW VEIN STRUCTURE
POSSIBLE VEIN EXTENSION
AREAS STOPED OUT



OME PT	=	TROUT PT
5		1167
6		1168
7		1169
8		1170
9		1171

4800N

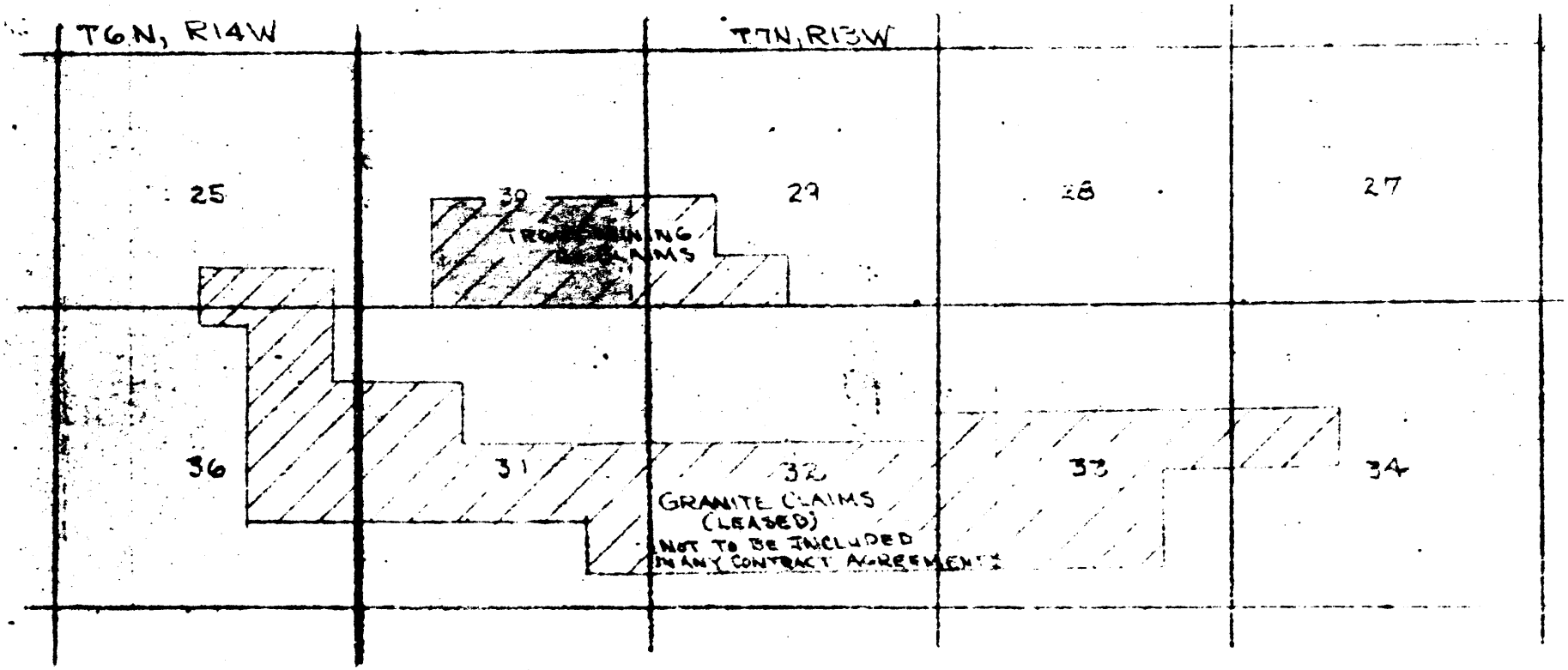
TROUT MINING COMPANY
ALGONQUIN MINE 1000 LEVEL
OME EXPLORATION DRIFT
PROGRESS, GEOLOGY - ASSAYS
1" = 50'

RECEIVED
SEP 17 1962
U.S.G.S.
SPOKANE, WASH.

SHEET No. 2

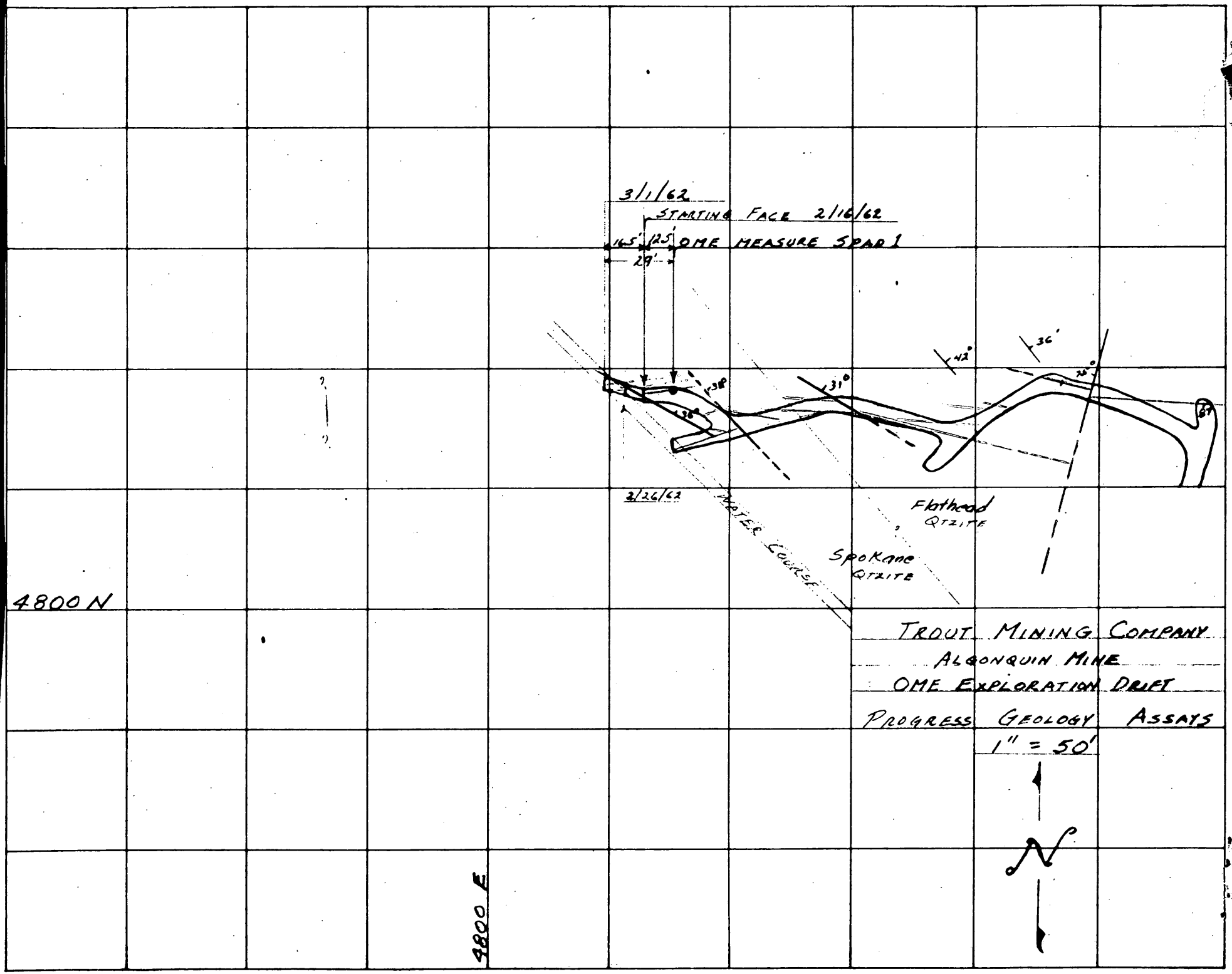
4200E 4400E 4600E

ALLIS SALES COMPANY INC.
11 NORTH 23rd STREET BILLINGS MONTANA

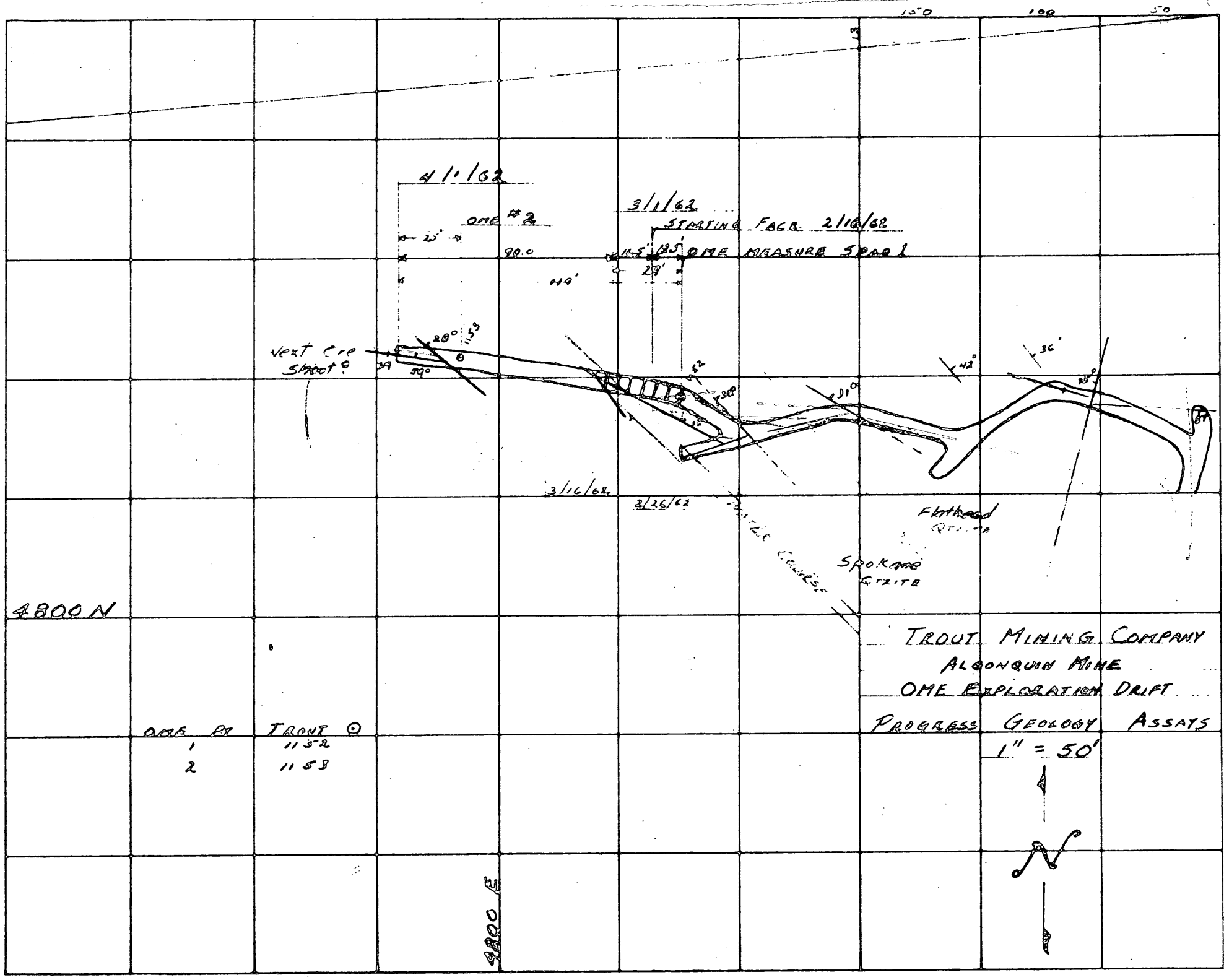


TROUT CLAIMS - THE COLORED [illegible]

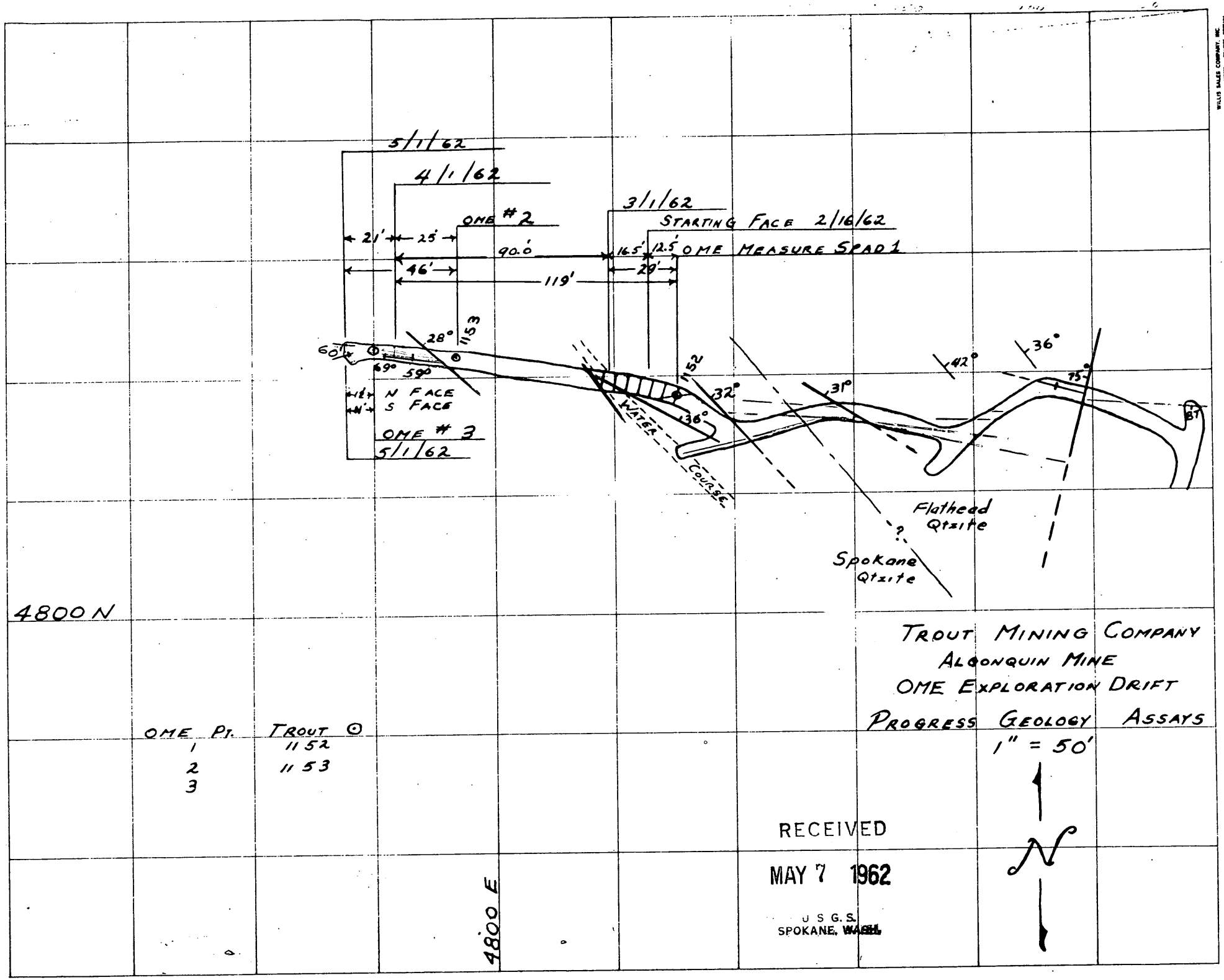
SKETCH MAP OF TROUT [illegible]


3/1/62
STARTING FACE 2/16/62
16.5'
12.5'
OME MEASURE SPAD 1
29'
38°
38°
31°
42°
36'
29°
67
2/26/62
WATER COURSE
Flathead
QTZITE
Spokane
QTZITE
4800 N
4800 E
TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY ASSAYS
1" = 50'
N

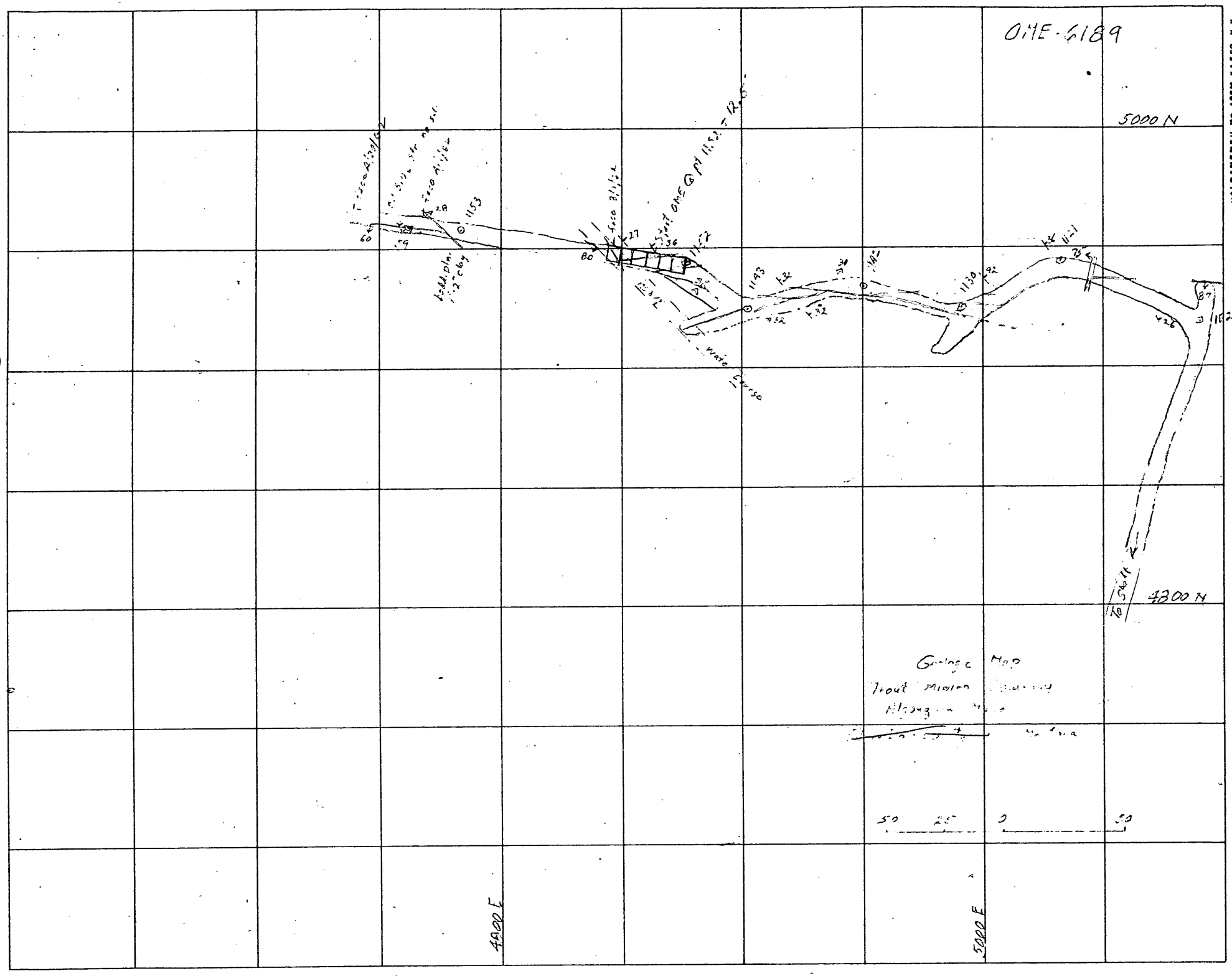
RECEIVED
MAR 5 1962
U. S. G. S.
SPOKANE, WASH.


150
100
50
4/1/62
OME #2
3/1/62
STARTING FACE 2/16/62
OME MEASURE SPAD 1
25'
90.0
44'
29'
Next Cut SPADT
28°
1.53
90°
1.62
30°
31°
42°
36'
35°
3/16/62
3/26/62
Flathead
Spokane
4800 N
TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY ASSAYS
1" = 50'
OME PT TROUT
1 1152
2 1153
4800 E

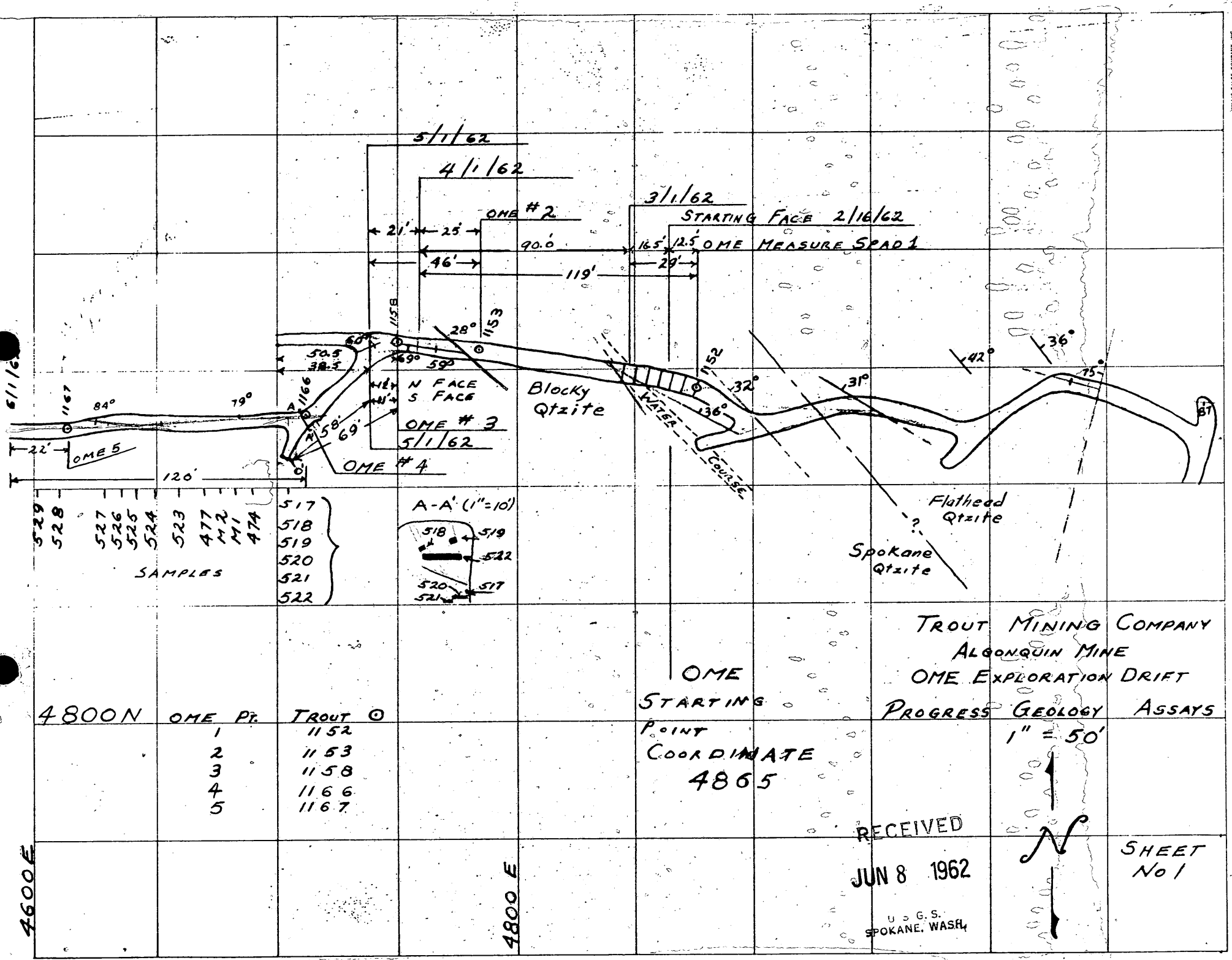
RECEIVED
APR 12 1962
U. S. G. S.
SPOKANE, WASH.

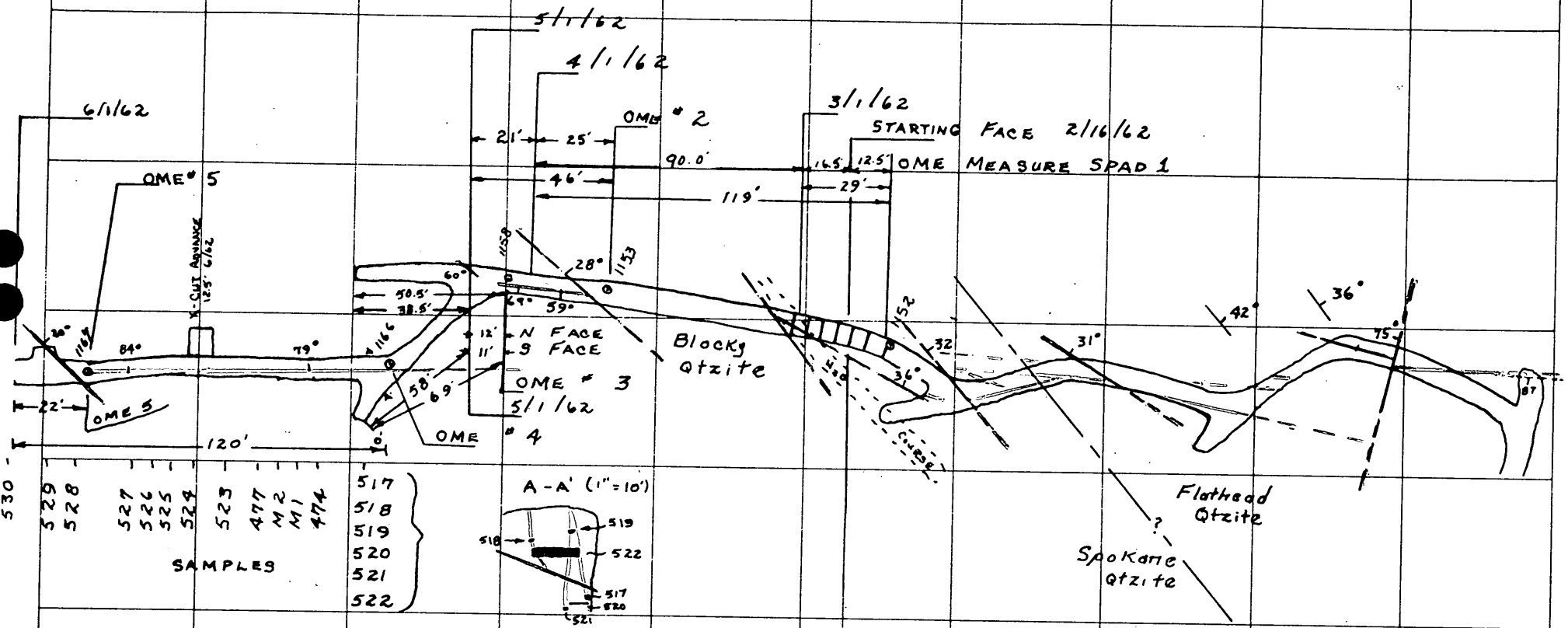

5/1/62
4/1/62
3/1/62
OME #2
STARTING FACE 2/16/62
OME MEASURE SPAD 1
21'
25'
90.0'
46'
119'
16.5'
12.5'
29'
28°
1153
60'
69°
59°
N FACE
S FACE
OME #3
5/1/62
1152
32°
31°
42°
36°
75°
136°
WATER
COURSE
Flathead Qtzite
Spokane Qtzite
4800 N
4800 E
TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY ASSAYS
1" = 50'
OME PT.
TROUT ⊙
1
1152
2
1153
3
RECEIVED
MAY 7 1962
U S G.S.
SPOKANE, WASH.

OME-6189



"ALBANENE" NO. 1988M K&E CO., N.Y.
REG. U.S. PAT. OFF.
J. A. Gendron Co., Spokane


5/1/62
4/1/62
OME #2
3/1/62
STARTING FACE 2/16/62
OME MEASURE SPAD 1
21'
25'
46'
90.0
119'
16.5'
12.5'
29'
1158
1153
1152
1166
1167
28°
60°
69°
59°
50.5
38.5
N FACE
S FACE
OME #3
5/1/62
OME #4
58'
69'
84°
79°
22'
OME 5
120'
Blocky Qtzite
WATER COURSE
136°
32°
31°
42°
36°
75°
Flathead Qtzite
Spokane Qtzite
?
529
528
527
526
525
524
523
477
M2
M1
474
517
518
519
520
521
522
SAMPLES
A-A' (1"=10')
518
519
522
520
521
517
OME STARTING POINT COORDINATE 4865
TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY ASSAYS
1" = 50'
4800N
OME Pt. TROUT ⊙
1 1152
2 1153
3 1158
4 1166
5 1167
4600E
4800 E
RECEIVED
JUN 8 1962
U.S.G.S.
SPOKANE, WASH.
SHEET No 1

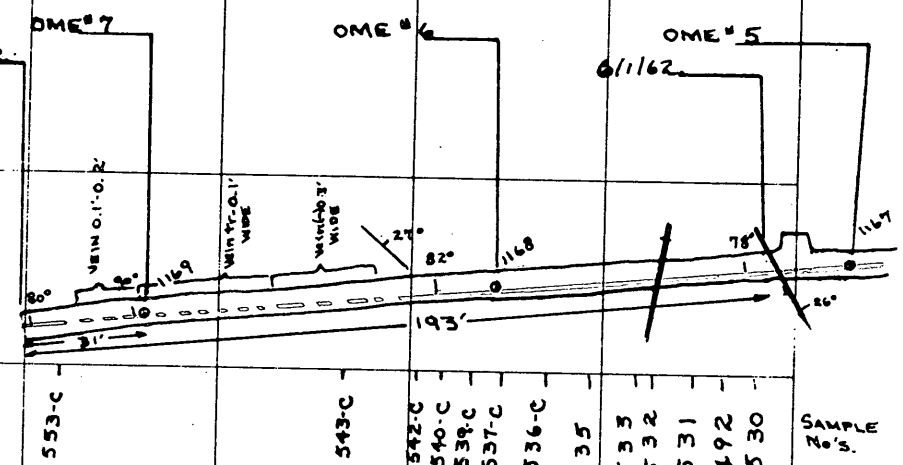


OME PT.	TROUT POINT
1	1152
2	1153
3	1158
4	1166
5	1167

OME STARTING POINT COORDINATE 4865

TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY - ASSAYS
1" = 50'

SHEET No. 1



OME PT	=	TROUT PT
5		1167
6		1168
7		1169

4800N

TROUT MINING COMPANY
ALGONQUIN MINE 1000 LEVEL
OME EXPLORATION DRIFT
PROGRESS, GEOLOGY - ASSAYS
1" = 50'

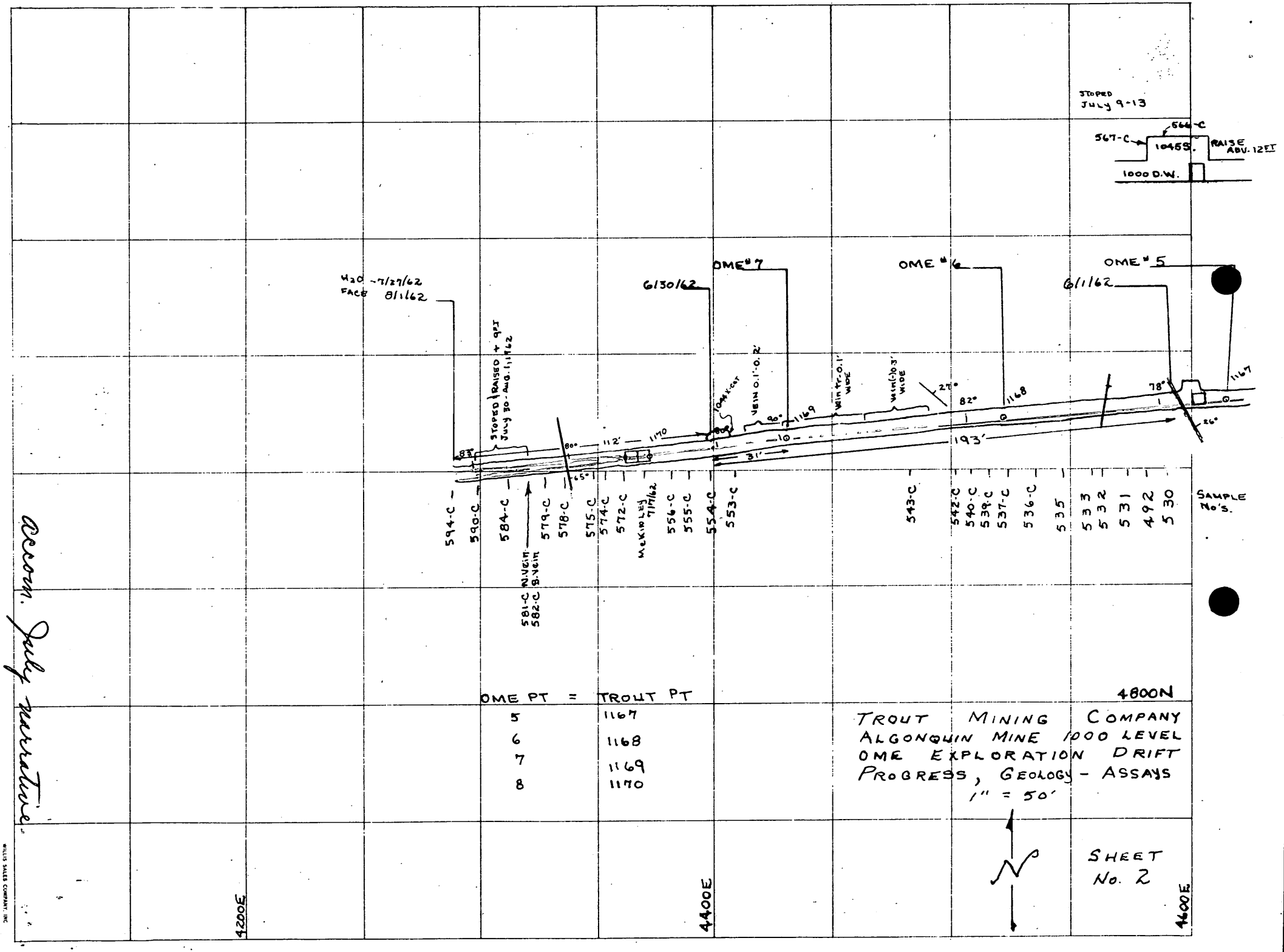
SHEET No. 2

4200E

4400E

4600E

WILLIS SALES COMPANY, INC.
119 NORTH Main STREET BUTTE, MONTANA


STOPED JULY 9-13
567-C
566-C
1045S.
RAISE ABV. 12FT
1000 D.W.
H2O ~7/27/62
FACE 8/1/62
STOPED | RAISED + 9FT JULY 30 - AUG. 1, 1962
6/30/62
OME #7
OME #6
OME #5
6/1/62
VEIN 0.1'-0.2'
VEIN 0.1'-0.1' WIDE
VEIN (-) 0.3' WIDE
1167
1168
1169
1170
112'
193'
31'
594-C
590-C
584-C
579-C
578-C
575-C
574-C
572-C
556-C
555-C
554-C
553-C
543-C
542-C
540-C
539-C
537-C
536-C
535
533
532
531
492
530
SAMPLE No's.
581-C N. VEIN
582-C S. VEIN
McKINLEY 7/17/62
OME PT = TROUT PT
5 1167
6 1168
7 1169
8 1170
4800N
TROUT MINING COMPANY
ALGONQUIN MINE 1000 LEVEL
OME EXPLORATION DRIFT
PROGRESS, GEOLOGY - ASSAYS
1" = 50'
SHEET No. 2
4200E
4400E
4600E
Recom. July narrative
WILLIS SALES COMPANY, INC.

Maps submitted with appln.

a55hgs

Track these checks against record

	½ Vouch	Pd		
Feb	338.25	338.25	Mar.	
Mar.	1977.00	1977.00	Apr	
Apr	430.50	430.50	May	
May	4,453.50	4453.50	June	
June	4,194.75	4194.75	July	
July	2,592.50	2592.50	Aug	
Aug	425.00	425.00	Sept.	
		14,411.50		
		28,823.00		

4,630.50
676.50
3954.00
1977.00

5,491.50
4,630.50
861.00

14,398.50
5,491.50
8,907.00

22,788.00
14,398.50
8,389.50

27,973.00
22,788.00
5185.00

28,823.00
27,973.00
850.00

October 3, 1962 Ray Wolfe called from Anchorage asking if I had heard anything further regarding his application. He requested that as soon as we hear we phone him collect a BR 6-5515.

63 ft

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/1/62
D. Walker

Philipsburg, Montana, June 4, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
530-C 1000 W O 120 Ah. Sta. 1166 0.87'		30.00			0.58			0.42			40.00

MONTANA LABORATORY COMPANY

By W. L. Rosenbaum

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/2/62
N. Radford

Philipsburg, Montana, June 5, 1962

The Following Analyses Were Made For Trout Mining Co.

	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
492-C 1000 DW @ 31' Ah. Sta. 0.76'		29.90			1.56			2.53			38.50

MONTANA LABORATORY COMPANY

By W. L. [illegible]

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/5/62
D. Walker

Philipsburg, Montana, June 6, 1962

The Following Analyses Were Made For Trout Mining Co.

	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
531-C 1000 W. Back @ 40' Ah. Sta. 1167 0.5/5.0'		30.40			3.11			2.11			31.40
532-C 1000 W. @ Sta. 1167 plus 49' 0.7/5.0'		34.00			1.56			5.28			39.00

MONTANA LABORATORY COMPANY

By W. L. Regenhardt

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

Philipsburg, Montana, June 7, 1962

6/6/62
D. Walker
The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
533-C 1000 DW Sta 1167 plus 54' 0.3/5.0'		20.80			0.29			0.55			33.60

MONTANA LABORATORY COMPANY

By W. L. Rogers

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/8/62
D. Walker

Philipsburg, Montana, June 9, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
535-C 1000 DW @ 1167 plus 67' 0.7/5.0'		27.60			1.46			1.60			44.80

MONTANA LABORATORY COMPANY

By W. L. Respenbach

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/9/62
D. Walker

Philipsburg, Montana, June 11, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
536-C 1000 W. @ 1167 plus 78' 0.6/5.0'		30.80			0.49			2.65			44.20

MONTANA LABORATORY COMPANY

By W. L. Degenhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/11/62
D. Walker

Philipsburg, Montana, June 12, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
537-C 1000 W. @ 1167 plus 88.5' 0.55/5.0'		42.50			1.27			3.70			35.40

MONTANA LABORATORY COMPANY

By W. L. Rosenbaum

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/12/62
D. Walker

Philipsburg, Montana, June 13, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
539-C 1000 W @ 1167 plus 97		13.20			2.82			3.70			24.70

MONTANA LABORATORY COMPANY

By W. L. Ridgway

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/12/62

D. Walker

Philipsburg, Montana, June 14, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
540-C 1000 W. 1167 plus 105' 0.4/5.0'		22.80			0.58			4.20			29.00

MONTANA LABORATORY COMPANY

By Geo. E. Rosenbaum

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/14/62
D. Walker

Philipsburg, Montana, June 15, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
542-C 1000 W @ 1168 plus 20 0.5/5.0'		18.00			0.39			1.37			26.90

MONTANA LABORATORY COMPANY

By Wm. E. Dupuchet

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/18/62
D. Walker

Philipsburg, Montana, June 19, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin ~~Mine~~	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
543-C 1000 W.@ 1168 plus 40' 0.056/5.0'		18.90			0.29			3.91			22.00

MONTANA LABORATORY COMPANY

By W. L. Rosenbaum

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

6/29/62
N. Radford

Philipsburg, Montana, June 30, 1962

The Following Analyses Were Made For Trout Mining Co.

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
559-C 1000 DW 1168 plus 114' 0.4-5.0'		31.3			0.68			7.60			28.8

MONTANA LABORATORY COMPANY

By W. L. Wolfenbarger

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/2/62
N. Radford

Philipsburg, Montana, July 3, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
554-C		50.00			1.66			4.33			46.90
1000 DW Coord. 4400 S											
0.4/5.0'											

accom. July vchr.

MONTANA LABORATORY COMPANY

By W. L. Rafenbert

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/23/62
N. Radford

Philipsburg, Montana, July 5, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
555-C		44.00			1.66			4.75			35.50
1000 DW Coordin 4389 E. 0.6/5.0'											

MONTANA LABORATORY COMPANY

By [illegible]

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/6/62
M. Redford

Philipsburg, Montana, July 7, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
556-C 1000 DW Coordin. 4380 E 0.56/5.0'		40.90			1.75			12.88			39.90

MONTANA LABORATORY COMPANY

By [signature]

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/7/62
A. Mc Kinley

Philipsburg, Montana, July 9, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
1000 WD Face		22.40			2.24			1.47			47.10
1.2' 1.33'	0.96'										
Co-or 4370											

MONTANA LABORATORY COMPANY

By W. T. [illegible]

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/11/62
N. Radford

Philipsburg, Montana, July 12, 1962

The Following Analyses Were Made For **Trout Mining Company**

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
566-C 1000 DW Sta. 1167 plus 25 1.4/4.0'		32.00			1.75			4.75			35.80
567-C 1000 DW Sta. 1167 plus 36 1.5/4.0'		82.20			1.46			2.85			39.10

MONTANA LABORATORY COMPANY

By W. F. Degenhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/17/62
N. Radford

Philipsburg, Montana, July 18, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
572-C 1000 DW @ 4360 E. 1.45/~~1.50~~ 5.0'		49.10			3.41			3.91			45.80

MONTANA LABORATORY COMPANY

By W. L. Dupenbant

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/18/62
N. Radford

Philipsburg, Montana, July 19, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
574-C		30.00			2.53			2.22			50.20
1000 DW @ 4355 E											
1.57/5.0'											

MONTANA LABORATORY COMPANY

By W. T. Dysinger

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/19/62
N. Radford

Philipsburg, Montana, July 20, 1962

The Following Analyses Were Made For **Trout Mining Company**

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
575-C		41.20			2.92			1.05			41.40
1000 DW @ 4349											
2.43/5.0'											

MONTANA LABORATORY COMPANY

By W. L. Dagenhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/20/62
N. Radford

Philipsburg, Montana, July 21, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
578-C 1000 DW @ 4336.5 E 1.7/5.0'		22.90			3.41			1.68			37.91

MONTANA LABORATORY COMPANY

By W. J. Nagelmann

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/23/62
N. Radford

Philipsburg, Montana, July 24, 1962

The Following Analyses Were Made For **Trout Mining Company**

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
579-C 1000 DW @ 4327 E 0.67/5.0'		34.50			5.26			2.10			29.60

MONTANA LABORATORY COMPANY

By W. L. Rynehart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/24/62
N. Radford

Philipsburg, Montana, July 25, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
581-C 1000 DW @ 4320.5 E. Rt. Vein 0.6/5.0'		18.00			7.41			2.10			47.50
582-C 1000 DW @ 4320.5 E. Lt. Vein 0.6/5.0'		22.00			0.68			0.53			35.00

MONTANA LABORATORY COMPANY

By W. L. Mapelhan

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/23/62
N. Radford

Philipsburg, Montana, July 26, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
584-C 1000 DW @ 4312.5 0.57/5.0'		17.50			2.44			2.64			44.40

MONTANA LABORATORY COMPANY

By W. L. Deyrnhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/27/62
N. Radford

Philipsburg, Montana, July 28, 1962

The Following Analyses Were Made For **Trout Mining Company**

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
590-C		28.50			1.36			0.42			36.60
1000 DW @ 4298.5 E											
1.03/5.0'											

MONTANA LABORATORY COMPANY

By W. F. Degenhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

7/30/62
N. Radford

Philipsburg, Montana, July 31, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
594-C		37.60			2.92			3.17			35.90
1000 DW @ 4288 E											
0.68/5.0'											

MONTANA LABORATORY COMPANY

By W. L. Dagenhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

8/14/62
N. Radford

Philipsburg, Montana, August 15, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
606-C 104⅞ Rs 19' 0.65/4.0'		37.20			2.83			4.12			32.50

RECEIVED
SEP 17 1962
U. S. G. S.
SPOKANE, WASH.

MONTANA LABORATORY COMPANY

By [illegible]

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

8/16/62
N. Radford

Philipsburg, Montana, August 17, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
607-C 1043 Stope 4393 E Bk Plus 10' 0.4/4.0'		25.20			0.68			1.58			21.80
608-C 1046 IDE @ 8' 0.75/4.0'		29.70			2.53			6.76			34.60

RECEIVED
SEP 17 1962
U.S.G.S.
SPOKANE, WASH.

MONTANA LABORATORY COMPANY

By W. T. Rydstrom

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

8/24/62
N. Radford

Philipsburg, Montana, August 25, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
613-C		50.60			4.50			0.74			32.60
1000 DW 4285 E											
0.9/5.0'											

RECEIVED
SEP 17 1962
U S G. S.
SPOKANE, WASH.

MONTANA LABORATORY COMPANY

By [illegible]

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

8/25/62
N. Radford

Philipsburg, Montana, August 27, 1962

The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
614-C		34.40			2.63			1.37			28.70
@ 4278 E											
1.5/5.0'											

RECEIVED
SEP 17 1962
U.S. G.S.
SPOKANE, WASH.

MONTANA LABORATORY COMPANY

By W. T. Poyhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

8/28/62
Mc Kinley

Philipsburg, Montana, August 29, 1962

The Following Analyses Were Made For Trout Mining Company

~~Algonquin~~ Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent ~~XXXXX~~ $BaSO_4$	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
SAMPLE No. Mc-28 1000 DW Face Center of CENTER Vein 0.9'		33.00			0.58		9.15	1.37			24.70

RECEIVED
SEP 17 1962
U. S. G. S.
SPOKANE, WASH.

MONTANA LABORATORY COMPANY

By W. L. Wagenhart

MONTANA LABORATORY COMPANY

CHEMISTS AND ASSAYERS

8/6/62
N. Radford

Philipsburg, Montana, August 7, 1962

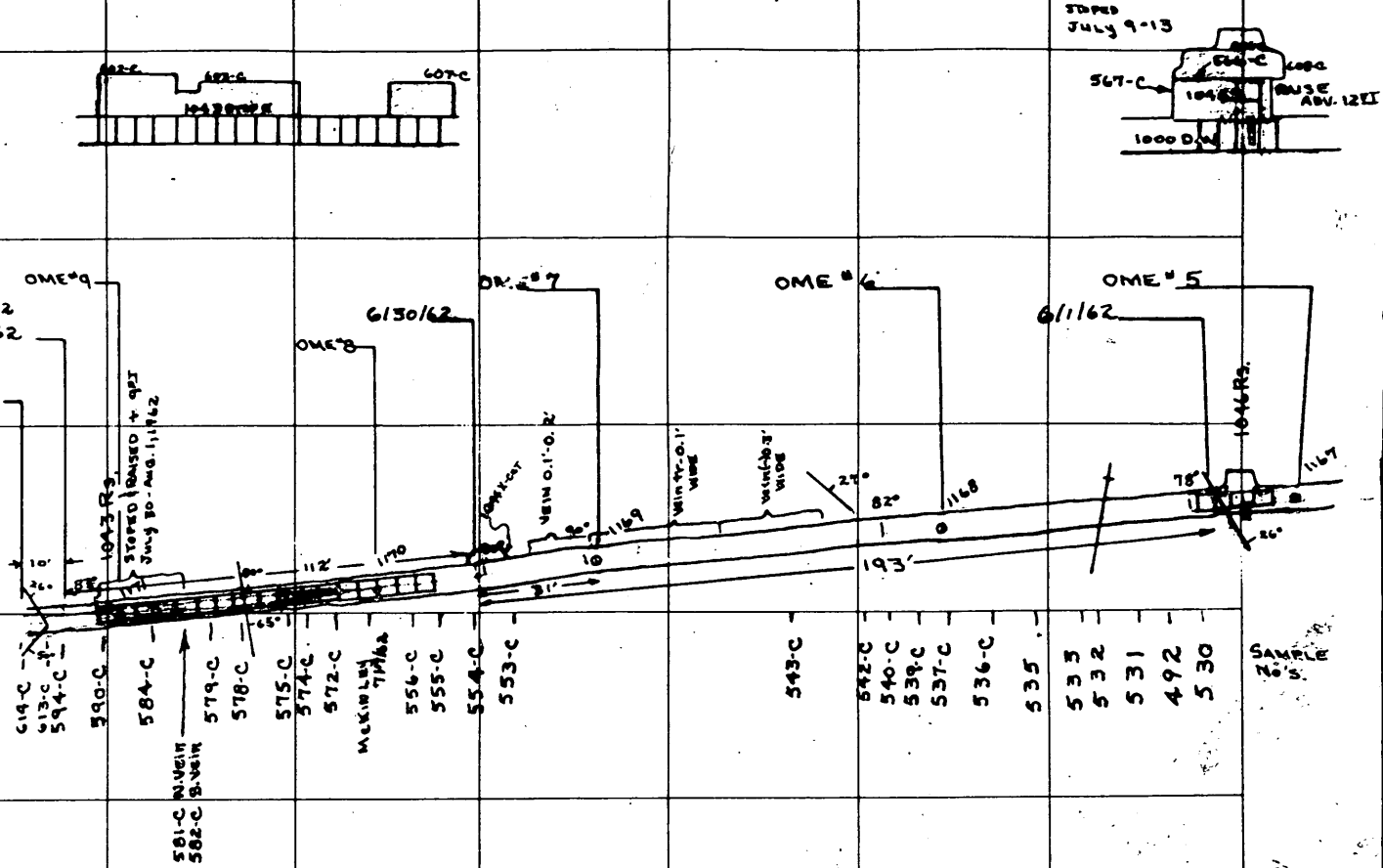
The Following Analyses Were Made For Trout Mining Company

Algonquin Mine	Per Cent H_2O	Ozs. Silver Per Ton	Ozs. Gold Per Ton	$ Gold Per Ton	Per Cent Copper	Per Cent Mn. Dioxide	Per Cent Iron	Per Cent Lead	Per Cent Manganese	Per Cent Silica	Per Cent Zinc
602-C 1043 Stope 4294 E Plus 10' 1.0/4.0'		41.80			0.58			9.82			26.50
603-C 1043 Stope 4322 E Plus 7.0' 1.0/4.0'		18.00			2.14			2.85			46.90

SEP 17 1962
U. S. G. S.
SPOKANE, WASH.

MONTANA LABORATORY COMP

By W. T. [illegible]



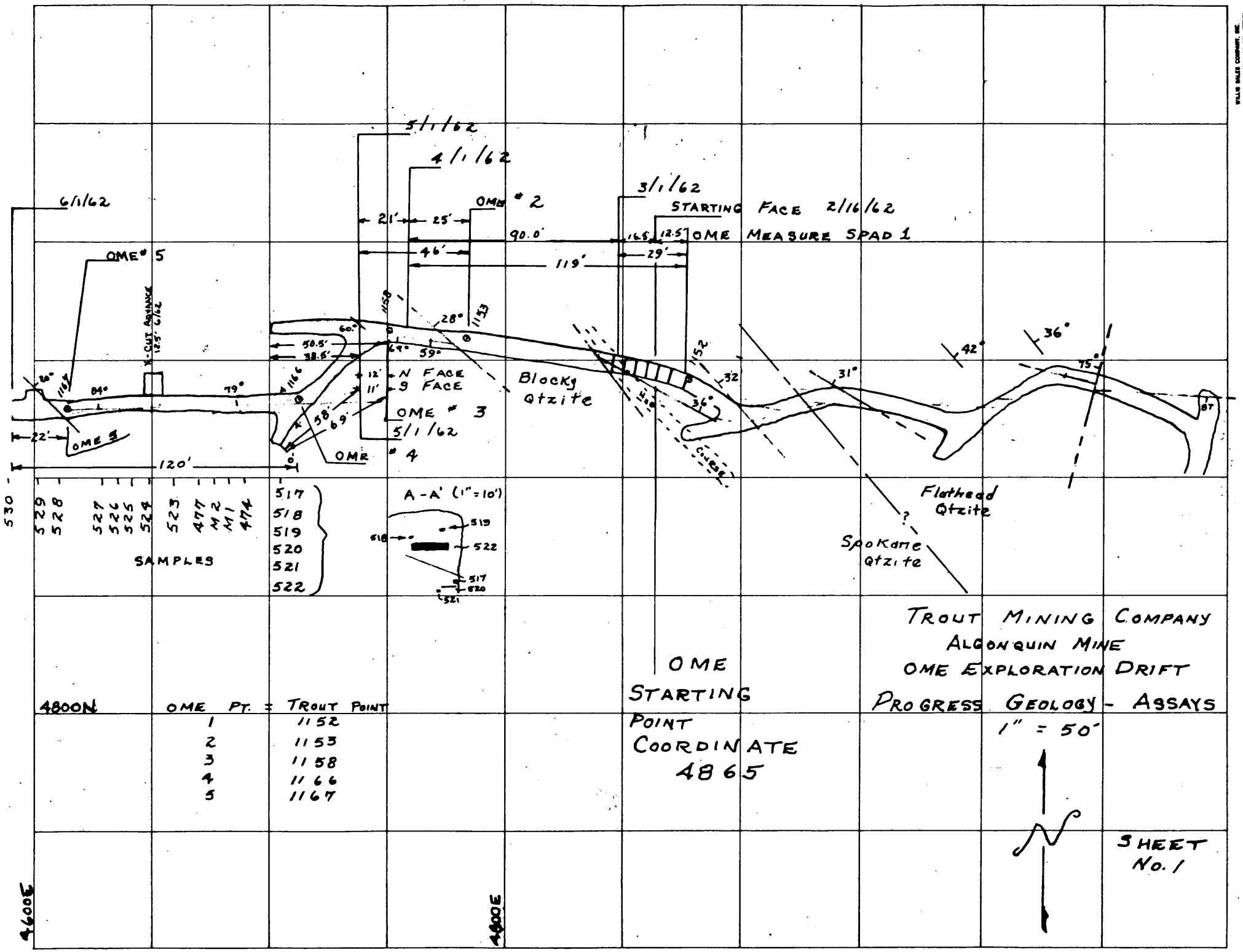
OME PT	=	TROUT PT
5		1167
6		1168
7		1169
8		1170
9		1171

4800N

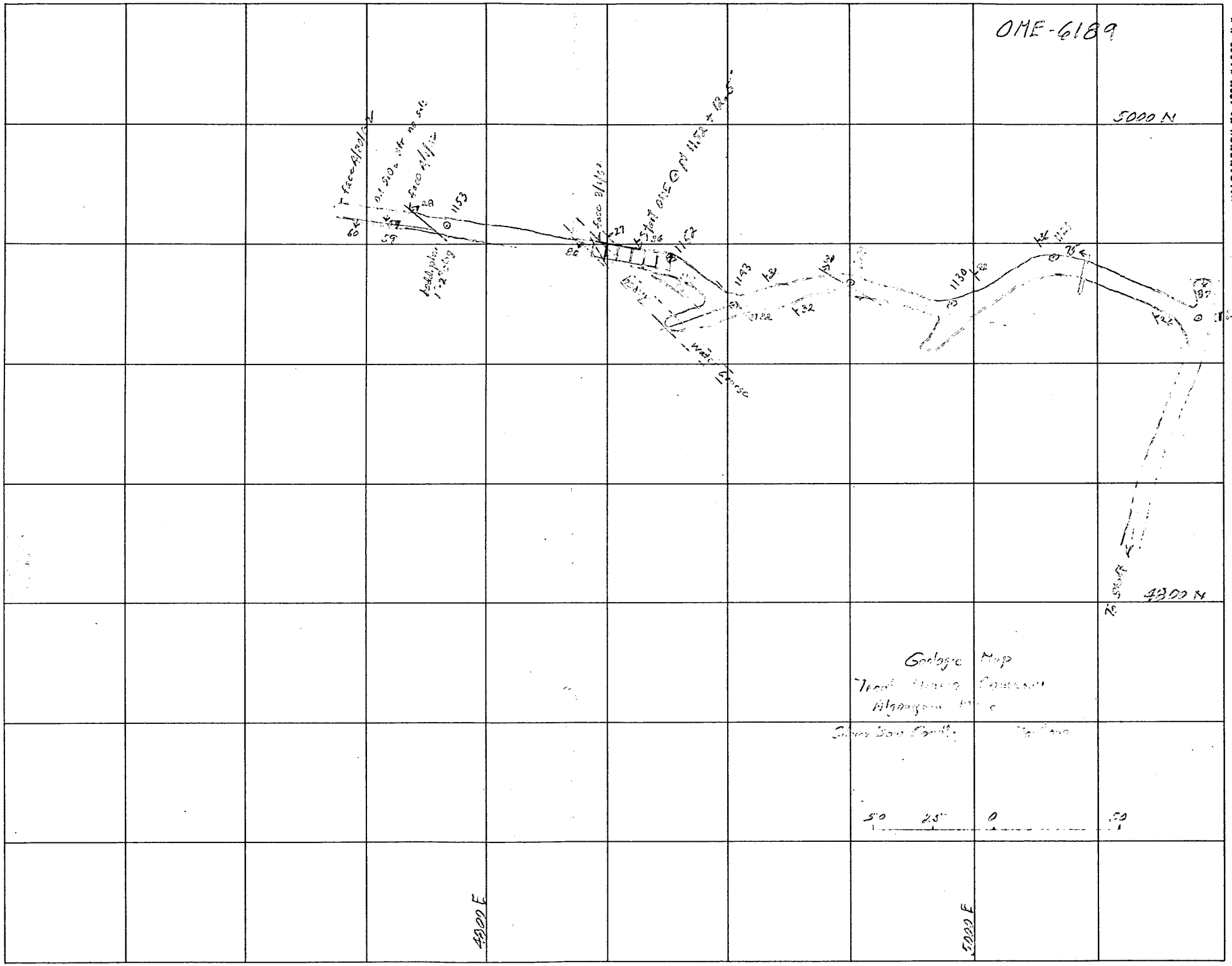
TROUT MINING COMPANY
ALGONQUIN MINE 1000 LEVEL
OME EXPLORATION DRIFT
PROGRESS, GEOLOGY - ASSAYS
1" = 50'

N

SHEET No. 2


6/1/62
OME # 5
X-CUT ADVANCE 12.5' 6/62
5/1/62
4/1/62
OME # 2
3/1/62
STARTING FACE 2/16/62
OME MEASURE SPAD 1
21'
25'
46'
90.0'
119'
12.5'
29'
28°
60°
50.5'
38.5'
59°
N FACE
9 FACE
OME # 3
5/1/62
OME # 4
Blocky Qtzite
42°
36°
31°
32
36°
75°
87
84°
79°
22'
OME 9
120'
530
529
528
527
526
525
524
523
477
M2
M1
474
SAMPLES
517
518
519
520
521
522
A-A' (1" = 10')
Flathead Qtzite
Spokane Qtzite
TROUT MINING COMPANY
ALGONQUIN MINE
OME EXPLORATION DRIFT
PROGRESS GEOLOGY - ASSAYS
1" = 50'
4800N
OME PT. = TROUT POINT
1 1152
2 1153
3 1158
4 1166
5 1167
OME STARTING POINT COORDINATE 4865
SHEET No. 1
4600E
4800E

OME-6189



Geologic Map

J. A. Gendron Co., Spokane

"ALBANENE" NO. 1066M K&E CO., N.Y. REG. U.S. PAT. OFF.