GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

Estimate of Costs

	Drifting @ 49.02/ft. Direct		Drifting @ 10.47/ft. Indirect	Drilling 2502/mo=2.22/ft Contract		Drilling Indirect	Drift Rehabilitation 23.77/ft. Direct		Drift Rehabilitation 10.00/ft. Indirect	Drill Stations 52.92/ft. Direct		Drill Stations 25.19/ft. Indirect	Total Cost per stage
Annie Vein													
Stage I				960'	$ 7,575	$ 2,131				40'	$ 2,117	$ 946	$ 12,769
Stage II	1300'	$ 63,726	$ 13,611				650'	$15,451	$ 6,500				98,288
Stage III	400'	19,608	4,188	1900'	14,050	4,218	190'	4,516	1,900	40'	2,117	946	51,543
Stage IV				1100'	8,280	2,442							10,722
Total	1700'	$ 83,334	$ 17,799	3960'	$ 29,905	$ 8,791	840'	$19,967	$ 8,400	80'	$ 4,234	$1,892	$173,322
Hidden Vein													
Stage I				600'	4,850	1,332				13'	688	352	7,222
Stage II	185'	9,069	1,937										11,006
Stage III	200'	9,804	2,094										11,898
Total	385'	$ 18,873	$ 4,031	600'	$ 4,850	$ 1,332				13'	$ 688	$ 352	$ 30,126
Tewksbury Vein													
Stage I				1050'	7,820	2,331				26'	1,376	704	12,231
Stage II	500'	24,510	5,235	250'	2,200	555				13'	688	352	33,540
Stage III	150'	7,353	1,570	750'	5,700	1,665				13'	688	352	17,328
Total	650'	$ 31,863	$ 6,805	2050'	$ 15,720	$ 4,551				52'	$ 2,752	$1,408	$ 63,099
TOTAL	2735'	$134,070	$ 28,635	6610'	$ 50,475	$ 14,674	840'	$19,967	$ 8,400	145'	$ 7,674	$3,652	$266,547
DIRECT AVERAGE		$49.02/ft	$10.47/ft		$ 7.64/ft	$ 2.22/ft	$23.77/ft.		$10.00/ft.		$52.92/ft	$25.19/ft	-
COMBINED AVERAGE		$162,705=59.59/ft.			$ 65,149=9.86/ft.		$28,367=33.77/ft.				$11,326=78.11/ft.		

TOTAL ESTIMATED COST OF EXPLORATION: $266,547

DMA/DFC

PLACE IN DOCKET 4643
FILE

EXTRA CY OF
ABOVE RETURNED
FOR ENGRS
USE.

Docket
4643

370

224 New Customhouse
Denver 2, Colorado

April 10, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4643 (Copper), General Minerals Corporation (Summitville mine), Rio Grande County, Colorado

Enclosed are the original and one copy of the Operator's letter of April 8, 1957 with attached revised cost analysis to go with the revised work proposal submitted by our memorandum of April 3, 1957.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:prl

cc: E. N. Harshman
W. H. King
Brochure
Docket
Chron.

) w/copy of enclosure to be attached to copy of Application.

GENERAL Minerals CORPORATION

GENERAL MINERALS CORPORATION

P. O. Box 446 • Grand Junction, Colo.

MEADOWS BUILDING
DALLAS 6, TEXAS

April 8, 1957

DMEA
DEPARTMENT OF THE INTERIOR
APR 10 1957
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Custom House
Denver 2, Colorado

Dear Mr. Harshman: Re: DMEA-4643(Copper)

Enclosed please find a revised cost analysis for our proposed exploration program at Summitville, Colorado. These costs are in accordance with the stage sequence of exploration as proposed to you by Dr. R. V. Gaines in his letter of March 30, 1957.

It is our thought that if this proposed exploration program seems meritorious of DMEA participation, a unit cost program and not an actual cost program be requested. The obvious cost savings need not be enumerated.

We shall await your considerate reply.

Sincerely yours,

John B. Rigg
Drill Superintendent

JBRvw
encls.

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

6. (Continued) Detailed Explanation

The new Estimate of Costs sheet shows items listed as Direct and Indirect Costs.

Direct Costs are those charges involved in actual work on the site. No supervision, no delivery of parts and supplies, no interpretation of results, no cost other than that of personnel, equipment, and supplies directly at the heading is calculated.

Indirect Costs are those costs involved in keeping the Exploration Program on a sound mining and business basis. These are vital in logistics, endeavor, and calculation for value received from the Direct Costs. Thirty-three percent (33%) of the Indirect Costs Total, on the Detailed Explanation Sheet is added to Direct Costs to calculate Total Operational Costs. This is with anticipation that at least three separate items of exploration, not necessarily in the same vein or stage, will be in progress.

.(a) Independent Contracts - Drilling

ocation	Non Core 0-200'	Non Core 200-400'	Core 0-200'	Core 200-400'	Core 400-600'	Total Depth
nnie-Tewksbury Vein						
tage I Chandler Lev.						
ole No: AI-1	115		77			192
AI-2	135		65			200
AI-3	125		77			202
AI-4	112		74			186
AI-5	110		70			180
Total	597		363			960
Cost/ft.	$ 6.00		$ 11.00			
Cost/stage	$3,582		$ 3,993			$ 7,575
Stage III Reynolds Lev.						
Hole No: AII-1	200	20		72		292
AII-2	200	40		54		294
AII-3	200	20		67		287
AII-4	200	40		61		301
AII-5	200	70		59		329
AII-6	200	120		77		397
Total	1,200	310	-	390		1,900
Cost/ft.	6.00	7.00		12.00		
Cost/stage	$7,200	$2,170		$4,680		$14,050
Stage IV Reynolds Lev.						
Hole No: AIV-1	200	78		82		360
AIV-2	200	96		76		372
AIV-3	200	90		78		368
Total	600	264		236		1,100
Cost/ft.	6.00	7.00		12.00		
Cost/stage	$3,600	$1,848		$ 2,832		$ 8,280
TOTAL ANNIE AREA	$14,382	$4,018	$ 3,993	$ 7,512		$29,905
Hidden Vein						
Stage I Reynolds Lev.						
Hole No: HVI-1	120		80			200
HVI-2	130		70			200
HVI-3	100		100			200
Total	350	-	250			600
Cost/ft.	6.00		11.00			
TOTAL HIDDEN VEIN	$ 2,100		$ 2,750			$ 4,850
Tewksbury-McDonald Vein						
Stage I Iowa Level						
Hole No: TI-1	200	128		72	3	403
TI-2	200	130		70	12	412
TI-3	187		13	35		235
Total	587	258	13	177	15	1,050
Cost/ft.	6.00	7.00	11.00	12.00	15.00	
Cost/stage	$3,522	$1,806	$ 143	$2,124	$ 225	$ 7,820

ocation	Non Core 0-200'	Non Core 200-400'	Core 0-200'	Core 200-400'	Core 400-600'	Total Depth
ewksbury-McDonald(cont'd)						
tage II Reynolds Lev.						
ole No: TII-1	120		80	50		250
Cost/ft.	6.00		11.00	12.00		
Cost/stage	$ 720		$ 880	$ 600		$2,200
tage III Reynolds Lev.						
ole No: TIII-1	180		20	50		250
TIII-2	190		10	50		250
TIII-3	170		80	50		250
Total	540		60	150		750
Cost/ft.	6.00		11.00	12.00		
Cost/stage	$3,240		$ 660	$1,800		$5,700
TOTAL TEWKSBURY-McDONALD VEIN	$7,482	$ 1,806	$ 1,633	$4,524	$225	$15,730

Cost Summary	Cost	Footage	Average
Annie Vein	$29,905	3960'	$ 7.55
Hidden Vein	4,850	600'	8.08
Tewksbury-McDonald Vein	15,720	2050'	7.67
	$50,475	6610'	$ 7.63

Supervision is calculated from previous figures at $2502/month. Drilling rate is calculated at 3 drills x 15'/shift x 25 shifts mo.= 1125'/month or 6 months total drill time. The time may involve use of one or three drills depending upon prior results and location availability. Because of the stage sequence, no definite plan may be supposed. See Item 6 under original plan for full details on costs. No standby time is calculated in final figures.

	Cost	Average
Contract Cost	$50.474	$ 7.63
Supervision Cost	15,012	2.27
Total Cost	$65,487	$ 9.92

M

GENERAL Minerals CORPORATION

GENERAL MINERALS CORPORATION

P. O. Box 446 • Grand Junction, Colo.

MEADOWS BUILDING
DALLAS 6, TEXAS

DMEA
DEPARTMENT OF THE INTERIOR
APR 1 - 1957
REGION III
DENVER, COLORADO

March 30, 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver 2, Colorado

Dear Mr. Harshman:

In accordance with discussions we had with Messrs. Buell and Richter of your organization at a meeting in Denver earlier this week, we have modified our proposed exploration program at Summitville along the line of their suggestions. We have gone along with all of the suggestions they made for changes as they all seemed most logical and yet there was no major difference with the program that we had initially proposed.

I am enclosing six copies of the revised section 5(b) of our DMEA application along with six copies of the map showing the location of the work.

Mr. Rigg is currently working on some cost figures and detailed breakdown on drilling, etc. which will be sent to you during the early part of the coming week, but in the meantime we hope that the enclosed material will help to expedite the processing of our application.

Very sincerely yours,

Richard V. Gaines

Dr. Richard V. Gaines
Manager, Western Operations

RVGvw
enc.

Docket No. DMEA-4648

5. (b) It is proposed to carry on exploration in three general areas: The Annie Vein; the Hidden Vein; and the Tewksbury-McDonald Vein. These areas are independent of each other and insofar as is practicable exploration will be carried on in all of them simultaneously. Within each area, the exploration will be divided into several stages, and the carrying out of each stage after the first one will be dependent upon the successful outcome of the previous stage.

Annie Vein

Stage I: The Annie Vein is probably the strongest and most intensely mineralized structure at Summitville. Ore grade material is known in the shoot on the Chandler level, and the length and richness of this shoot seems to be increasing with depth. C. F. Palmer's letters and other evidence suggests that the oreshoot in the Annie Vein on the Reynolds level was several hundred feet long and carried several percent copper, but we have no definite information of length, width, or grade. Therefore we should first of all drill four or five holes from the Chandler level east drift to just above the Reynolds level to see if there is good ore there. These holes would be no more than 200' long and would intersect the vein about 150' below the Chandler level. Their total length would be a maximum of 960'.

Stage II: The southernmost workings on the Annie Vein, Reynolds level, are supposed to have stopped in copper ore, and where the Reynolds crosscut tunnel intersects the "Copper

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DALLAS, TEXAS

Vein" which is the southern extension of the Annie Vein, at coordinates 8700N, 7900E, a small, rich shoot of copper ore was found which over 1.5' width sampled 10.7% Cu and 6.3% Pb. Continuity of this vein with the Annie Vein is indicated by its strike and by the fact that a vein was followed along this strike on the Narrow Gauge level for 680' which contained some gold values but, being in the zone of oxidation, no copper. This vein is shown on the map between coordinates 8760N, 7830E and 9190N, 7800E.

It is felt that exploration along this vein at the Reynolds level would give an excellent prospect of developing copper oreshoots between the main Reynolds crosscut and the old workings on the main part of the Annie Vein near the Reynolds winze. To accomplish this exploration, a drift would be needed 1300' long and striking N47W from 8700N, 7900E to 9575N, 6955E. The drift should be driven, if possible, so as to make a grade connection with the old Annie workings. Cleaning out and sampling these old workings will require 650' of drift rehabilitation, but as this is all in siliceous vein matter this should not present a very difficult problem.

Stage III: Upon reaching and sampling the old workings on the Annie Vein, Reynolds level, if oreshoots are found, some drilling should be carried on to explore for continuation of the shoots below the Reynolds level. This drilling should be done from outside the vein, and in order to locate suitable drill stations, it will be necessary to rehabilitate 190' of crosscut and drive 400' of new crosscuts. Six holes should be drilled to intersect both the Annie and the Tewksbury veins at about 150' below the Reynolds level, at intervals

of about 100' along the Annie Vein. This will involve about 1900' of drilling.

Stage IV: Upon proof of continuity of the oreshoots for 150' below the Reynolds level, it would be desirable to see if the shoots continue as much as 300' below the level. Three holes should be drilled to test this possibility, with a total of 1100' of drilling.

SUMMARY - ANNIE VEIN

	Drilling	Drifting or Crosscutting	Drift Rehabilitation
Stage I	960'		
Stage II		1300'	550'
Stage III	1900'	400'	190'
Stage IV	1100'		
Total	3960'	1700'	740'

Hidden Vein

Stage I: Above the Reynolds level on the Hidden vein there is known to be a good copper-gold oreshoot at 8480N, 7450E. To check for continuity below the Reynolds level, two or three holes should be drilled from a point 40' west of station 524. Total length of drilling recommended - 600'.

Stage II: The Hidden vein drift at 8550N, 7330E ended in ore. This drift should be driven along the vein to connect with the Reynolds level north drift at 8680N, 7160E, for a distance of 85'N 67°W to check for continuity of the oreshoot. And on the west side of the old Reynolds drift continue drifting along the vein for 100'.

Stage III: If the vein continues in ore beyond the end of the 100' of drift driven in Stage I, drift for an additional 200'

along the vein, to test for the downward continuity of the northwest end of the Hidden Vein system followed on the Lower Highland Mary, Iowa, and Copper Hill levels.

SUMMARY - HIDDEN VEIN

	Drilling	Drifting
Stage I, II	600'	185'
Stage III	-	200'
Total	600'	385'

Tewksbury Vein

Stage I: Complete hole #3 which was started in the Fall of 1956 on the Iowa level but not completed due to cold and ice. Then move further northeast in the Iowa crosscut and drill two holes to cut the Tewksbury vein at 300' below the Iowa level, thus testing to see if the oreshoot cut in holes #1 and #2 continues to this greater depth. This would require 1050' of drill holes.

Stage II: In order to test for the downward continuity of the Tewksbury oreshoot to the Reynolds level, the Reynolds tunnel south Tewksbury drift at 7775N, 7685E should be driven along the vein for 500', S28°E. At the same time, one fairly flat hole should be drilled from the Reynolds drift at 7815N, 7560E in a S50°W direction to cut the possible downward extension of the McDonald vein. This hole should be no more than 250' long.

Stage III: If the Tewksbury oreshoot downward extension is found in Stage II, then its further extension below the Reynolds level should be sought. To do this, three holes should be drilled from a station about 150' outside the Tewksbury vein, aimed to intersect the vein at about 150' below the level. This would

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

require about 750' of drilling and 150' of crosscutting.

SUMMARY - TEWKSBURY-McDONALD VEINS

	Drilling	Drifting or Crosscutting
Stage I	1050'	
Stage II	250'	500'
Stage III	750'	150'
Total	2050'	650'

SUMMARY - ALL AREAS

	Drilling	Drifting or Crosscutting	Drift Rehab.
Annie Vein	3980'	1700'	840'
Hidden Vein	600'	385'	
Tewksbury-McDonald Vein	2050'	650'	
Total	6610'	2735'	840'

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DMEA
DEPARTMENT OF THE INTERIOR
FEB 11 1957
REGION III
DENVER, COLORADO

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

Not to be filled in by applicant

Docket No. _____
Metal or Mineral _____
Date Received _____
Estimated Cost _____
Participation (Government %) _____

INSTRUCTIONS

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

Executive Office:	Field Office:
General Minerals Corp.	General Minerals Corp.
440 Meadows Building	P. O. Box 446
Dallas 6, Texas	Grand Junction, Colo.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract. See attached copy of lease, plats and overlay, generally in T37N, R4E, New Mexico Principal Meridian, Rio Grande County, Colorado.

(*b*) State any mine name by which the property is known. Summitville

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Attached copy

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

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

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

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

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

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

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

(*c*) The work will start within 30 days and be completed within 13 months from the date of an exploration project contract.

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

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

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

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

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

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

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated February 8, 1957

General Minerals Corporation
(Applicant)

By Robert L. Jones

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

224 New Customhouse
Denver 2, Colorado

April 3, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4643 (Copper), General Minerals Corporation (Summitville mine), Rio Grande County, Colorado

Enclosed are the original and one copy of the Applicant's letter of March 30, 1957 with attached revised Section 5(b), with map for attachment to the subject Application.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:prl

cc: E. N. Harshman) w/copy of enclosure
W. H. King) to be attached to
Brochure) Application.
Docket - w/enclosure with copy of letter.
Chron.

[redacted]

ASSIGNMENT OF CONTRACT

WHEREAS, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and General Minerals Corporation, a Maryland corporation, whose business address is 440 Meadows Building, Dallas 6, Texas, (hereinafter called the "Assignor"), entered into Exploration Contract No. Idm-E1107 (Docket No. DMEA-4643), dated July 15, 1957, as amended, (hereinafter called the "Contract"); and

WHEREAS, John B. Rigg, an individual, resident of Colorado, (hereinafter called the "Assignee"), has acquired the Assignor's interest in the land which is the subject of the Contract and the Assignee desires to complete the work under the Contract;

NOW THEREFORE, effective August 15, 1958, the Assignor, subject to acceptance by the Assignee and the consent of the Government in consideration of the sum of one dollar ($1.00) and other good and valuable consideration received from the Assignee, does hereby sell, assign, and transfer to the Assignee all of its right, title, and interest in the Contract: Provided, That the Government shall be and is hereby released by the Assignor from all claims under the Contract.

The Assignor consents to all future amendments (including a termination agreement) and assignments of the Contract and waives notice thereof.

Dated this 26th day of August, 1958.

GENERAL MINERALS CORPORATION
Assignor

By /s/ S. Y. Guthrie III

Title Vice President

I, F. H. Connally, certify that I am the secretary of the Corporation named herein; that S. Y. Guthrie III who signed this instrument on behalf of the corporation, was then Vice President of said corporation; that said instrument 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.

/s/ F. H. Connally

(SEAL) /corporate seal/

ASSIGNEE'S ACCEPTANCE

The Assignee hereby accepts the above assignment and agrees to be bound by the terms, provisions, and conditions of the Contract. The Assignee expressly assumes and agrees to pay to the Government any royalty that may have accrued and remain unpaid on the effective date of the assignment and that may accrue thereafter under the provisions of the Contract.

Dated this 22nd day of August, 1958.

JOHN B. RIGG

/s/ John B. Rigg

State of Colorado
City and County of Denver } SS.

The foregoing document was acknowledged before me this 22nd day of August, 1958, by John B. Rigg.

Witness my hand and official seal.

My commission expires My commission expires October 29, 1960.

(SEAL)

/s/ Mary Betz
Notary Public

GOVERNMENT'S CONSENT

The Government this 19th day of August, 1958, hereby consents to the above assignment without releasing the Assignor, General Minerals Corporation, from any of the terms, provisions, and conditions of the Contract.

THE UNITED STATES OF AMERICA

By O P Mettendorf
Administrator, Defense Minerals
Exploration Administration

Selbridge
Johnson
Young
App'd Sol. Off.

[redacted]

EXPLORATION PROJECT CONTRACT
GENERAL MINERALS CORPORATION
DOCKET NO. DMEA-4643

AMENDMENT NO. 4

It is agreed this fourteenth day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and the General Minerals Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1107 (Docket No. DMEA-4643), dated July 15, 1957, as amended, hereinafter called the "Contract," is further amended as follows:

1. The date fixed in Article 3 of the Contract for completion of the work is extended from 20 months (March 15, 1959) to 30 months (January 15, 1960) from the date of the Contract.

2(a) The suspension of work under the Contract granted by Amendments Nos. 2 and 3 is further extended during the period beginning July 15, 1958, and ending not later than September 15, 1958.

(b) The Government shall not contribute to any costs incurred by the Operator during the period of suspension nor to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

(c) 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 and any property in which the Government has an interest.

3. The maximum period for royalty payments and the lien to secure the payment thereof, provided for in the Contract is increased from ten (10) to eleven (11) years.

4. It is of the essence of this Contract that the work be resumed on or before the termination of the period here fixed for suspension, and be completed before the

termination of the period fixed for completion; and if not so resumed and completed, in the manner required by 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 as follows:

(i) Effective December 24, 1957, if the work has not been resumed on or before September 15, 1958.

(ii) Effective January 15, 1960, if the work is resumed on or before September 15, 1958, but is not completed on or before January 15, 1960.

(b) The Government will contribute only to allowable costs incurred prior to the relevant effective date set forth in 4(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) All rights of the Government respecting percentage royalty and liens to secure the payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

(e) The Operator hereby releases and agrees to save the Government harmless from all claims and demands under or arising out of the Contract, except as otherwise provided in this Amendment No. 4.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated as maximum.

App'd. Sol. Off.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

GENERAL MINERALS CORPORATION

By /s/ S. Y. Guthrie III

Title Vice President

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

(b) General Minerals Corporation is incorporated in the State of Maryland.

(c) Titles, names and addresses of officers are as follows:

OFFICERS

Name	Residence Address	Business Address
S. Y. Guthrie, President	5215 Palomar, Dallas, Texas	440 Meadows Building
S. Y. Guthrie III, Vice-Pres. & Asst. Sec.-Treas.	6419 Preston Road, Dallas	440 Meadows Building
F. H. Connally, Sec.-Treas.	1820 N. Garrett, Dallas	Meadows Building
James A. Barnett, Asst. Sec.-Treasurer	6403 Turner Way, Dallas	440 Meadows Building

DIRECTORS

R. B. Gilmore	6246 Prestonshire, Dallas	Rep. Nat'l. Bank Bldg.
A. H. Meadows	6601 Turtle Creek "	Meadows Building
Gordon Simpson	4409 Belclaire Ave., "	Meadows Building
T. A. Knight	3715 Dartmouth "	Rep. Nat'l. Bank Bldg.
M. E. Wilson	3800 Potomac "	Meadows Building
Pat Feeney	Pierre, South Dakota	
S. Y. Guthrie	5215 Palomar, Dallas	440 Meadows Building
H. N. Mallon	2710 Farmers Branch Lane	Rep. Nat'l. Bank Bldg.

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, Made and entered into as of this 1st day of February, 1956, by and between THE REYNOLDS-MORSE CORPORATION, of the City and County of Denver, Colorado, a Colorado corporation, and B. T. POXSON, of Denver, Colorado, Parties of the First Part, and hereinafter called the Lessor, and GENERAL MINERALS CORPORATION, A Maryland corporation, of Dallas, Texas, Party of the Second Part, and hereinafter called the Lessee:

WITNESSETH:

That the Lessor, for and in consideration of the covenants and agreements hereinafter expressed and for the rents and royalties hereinafter stipulated to be paid by the Lessee, has leased, demised and let, and by these presents does lease, demise and let unto the Lessee all of the following described real estate, mine and mining property situate in the Summit Mining District, Rio Grande County, State of Colorado, as follows, to-wit:

Golden Queen Lode	Survey No. 61
Little Annie	Survey No. 63
Del Norte	Survey No. 64
Margaretta Lode	Survey No. 65
Little Ida Lode	Survey No. 67
San Juan Placer	Survey No. 68
North 800 ft. Little Jessie	Survey No. 71
Peterson Placer	Survey No. 74
Brandt Placer	Survey No. 75
Bobtail Lode	Survey No. 325
Oding Lode	Survey No. 475
Snow Bank Lode	Survey No. 604
Moltke Lode	Survey No. 607
Golconda Lode	Survey No. 319
Tunnel Lode	Survey No. 320
Boss Lode	Survey No. 321
Nick Lode	Survey No. 713
Game Cock Lode	Survey No. 716
Garfield Lode	Survey No. 910
Bay State Lode	Survey No. 896
Little Hattie Lode	Survey No. 977
Sheridan Lode	Survey No. 892
Columbia Lode	Survey No. 890
Home Stake Lode	Survey No. 898
Eureka Lode	Pat. Survey No. 889
Jubilee Lode	Pat. Survey No. 891
Parole Lode	Pat. Survey No. 608
Pay Streak Lode	Pat. Survey No. 893
Logan Lode	Pat. Survey No. 897
Bayard Lode	Pat. Survey No. 894
Great Independence Lode	Pat. Survey No. 609
Golden Vault Lode	Pat. Survey No. 610
Iowa Lode	Pat. Survey No. 895
Jennie Placer	Pat. Survey No. 1097
C. B. & Q. Placer	Pat. Survey No. 798
I. & C. C. Placer	Pat. Survey No. 611
Highland Mary Lode	Pat. Survey No. 606
Highland Mary No. 2 Lode	Pat. Survey No. 16314
South Columbia Lode	Pat. Survey No. 16323

Aurora Lode	Pat. Survey No. 16324
Vanner Lode	Pat. Survey No. 16324
Pittsburgh Lode	Pat. Survey No. 16324
Dexter Lode	Pat. Survey No. 77
Aztec Lode	Pat. Survey No. 621A
Gray Eagle (1/6 Interest)	Pat. Survey No. 532
Little Nellie (1/6 Interest)	Pat. Survey No. 62

S.C.M.I. Possessory Lode
Claims Nos. 1 to 30
No Good Lode Claim (Unpatented)
Confusion Lode Claim (Unpatented)
G. & P., G. & P. No. 1 and G. & P. No. 2
Lode Claims (Unpatented)

Spar Placer	Pat. Survey No. 5736
Rio Grande Placer	Pat. Survey No. 5736
Denver Placer	Pat. Survey No. 5738
Electric Placer	Pat. Survey No. 6413

The Southeast quarter (SE¼) of Section 17, and the Northeast quarter (NE¼) of Section 29, all in Township 37 North, Range 4 East;

Together with any and all other patented or unpatented lode or placer mining claims and millsites, and all water rights, easements and rights-of-way standing of record, in whole or in part, in the name of the Lessors upon the public records of Rio Grande County, Colorado; and

Together with all improvements, mill, tramway, buildings, timber and water rights, machinery and equipment, appurtenant to any of said property, and belonging to the Lessors in said County of Rio Grande, State of Colorado.

There is excepted from the above described mining claims the upper 400 feet of a block of land 330 feet x 500 feet located on the following coordinates, based on Summitville Consolidated Mines 1940 datum:

North side line corresponds to Coordinate 9575
South side line corresponds to Coordinate 9375
West side line corresponds to Coordinate 6675
East side line corresponds to Coordinate 7175

which is more completely described in that certain Agreement of Lease dated May 10, 1955, between Lessor herein and Frank E. Sigfried, et al., to which reference is hereby made. Upon the expiration of said lease, the lands and rights covered thereby shall become subject hereto under the terms hereof.

TO HAVE AND TO HOLD the above described premises for the purpose of mining thereon, including right of passage through all tunnels and workings upon said properties, and such portions of the surface and other uses as are necessary in operating the said leased properties, under the terms of this lease, for a term of twenty-five (25) years from the date above written, expiring at noon on the 1st day of February, A.D. 1981, unless sooner voluntarily relinquished, or forfeited through the violation of any covenant or promise herein or hereinafter set forth.

AND IN CONSIDERATION OF THE DEMISE AFORESAID, the

Lessee hereby convenants and agrees with the Lessor, as follows, to-wit:

(1) Lessee shall enter into and upon said mining premises not later than July 15, 1956, and continuously work the same in mine fashion in a manner necessary to good and economical mining and with due regard to the development and preservation of said property as a workable mine in the future, performing on and about the leased premises, in the development and operation thereof, not less than 1200 shifts of work during the remainder of the calendar year 1956. There shall be performed 200 shifts of work, or more, for the months of January to June, 1957, inclusive, and 250 shifts per month, or more, thereafter during the continuance of this lease. Lessee agrees that on or before January 1, 1957, it shall in good faith attempt to rehabilitate the Reynolds Tunnel from the portal to the Jones raise and that it will likewise in good faith attempt to continue the Jones raise to connection with the McAtee winze. Lessee agrees to spend not less than $7,500.00 on such efforts to rehabilitate the Reynolds Tunnel and continue the Jones raise.

(2) Lessee shall pay all taxes upon the said leased premises, including production tax when same are by law due and payable, during the life of this lease, commencing with the taxes accruing after February 1, 1956, and due and payable in 1957 and for each year thereafter, and shall furnish the Lessor due evidence of the payment thereof, by inspection of the original tax receipts upon said property, provided sufficent funds are not available from the Two Per Cent (2%) Tax Reserve Fund hereinafter provided for. Lessee shall not be responsible for the payment of 1955 taxes due and payable in 1956. In the event that taxes assessed against the leased premises for the year 1956 are established upon an acreage basis, then Lessor shall reimburse to Lessee one-twelfth (1/12) of the amount thereof.

(3) Lessee shall well and sufficiently timber said mine at all points where proper in accordance with good mining and to repair old timbers wherever the same may be necessary by reason of the work done by theLessee.

(4) Lessee shall allow the Lessor and its agents, at all reasonable times, to enter upon and into all parts of the said mining property for the purpose of inspection, sampling and surveying.

(5) Lessee shall keep, at all times, the drifts, shafts, tunnels and other workings constructed or used by Lessee, thoroughly drained and cleaned of loose rock and rubbish, unless prevented by extraordinary casualty, and shall comply with all the rules and regulations of the Commissioner of Mines and the laws of the State of Colorado pertaining to the operation of the metalliferous mines.

(6) Lessee shall occupy and hold all veins, spurs, feeders, cross-lodes parallel lodes or mineral deposits of any kind, which may be discovered by the said Lessee or any person or persons working under him in any manner, by working within or upon said premises, as the property of the Lessor and as part of the premises demised, and Lessee shall not allow any person or persons not in privity with the parties hereto, to take hold or hold possession of the said premises or any part thereof, under any pretense whatsoever.

The Lessee does not agree to protect the legal title to any of the property described herein, in any litigation. It is further agreed that the United States Geological Survey, in a report dated _____, has indicated that an area may exist some _____ miles _____ from the leased premises in which geological conditions are similar to the Summitville area. Lessee agrees to perform a surface examination of such area, and to inform Lessor of the results thereof together with the geological opinion of Lessee relating to said area. In the event that Lessee desires to locate said area, it will do so in the name of the Reynolds-Morse Corporation (three-fourths interest) and B. T. Poxson (one-fourth interest) and this Agreement of Lease shall automatically be amended to include the same. In the event that Lessee does not desire to locate said area, then it shall not divulge the information which it has received concerning the same to any other persons until Lessor has been furnished an opportunity to locate the same for its own account, in which event, the area located shall not become subject to the terms hereof.

(7) Lessee shall make all working shafts and upraises not less than seven feet long by four feet (7' x 4') wide in the clear, and all drifts not less than six feet high and four feet wide (6' x 4') in the clear. In occupying the demised premises, no working shall be made by the Lessee, and no ground shall be broken and removed at any point, which will weaken or endanger the strength or permanency of any shaft, drift, incline, tunnel or other working.

(8) All buildings and other improvements erected and constructed on the property of the Lessor, upon the termination of this lease for any cause whatsoever, shall be and become and remain the property of the Lessor, and in the event that any such permanent improvements are not constructed upon Lessor's property, but nevertheless used in connection therewith, then and in that event, upon the termination of this lease for any cause whatsoever, the Lessor shall have the first right to purchase any such buildings and improvements, at a price not greater than the same is offered and/or sold to others, PROVIDED, Lessor shall be under no obligation to purchase, except at its option.

(9) Lessee shall not sell or dispose of any timber on said mining property, but may use what timber is necessary for underground purposes, and for lumber for the erection or repairing of buildings on said premises. It is also agreed that all buildings, improvements, machinery and equipment, as may be used by the Lessee, belonging to the Lessor, shall be kept in repair and at the expiration, cancellation or forfeiture of this lease, shall be returned to the Lessor in as good condition as they were at the time of the Lessee's entry upon the premises, unusual casualty, ordinary wear and tear and loss by fire excepted. The Lessee will also keep such of the buildings and equipment therein used by him insured, where possible, against fire and in such reasonable amounts as the insurance company or companies will write, NOT, however, to be less than an amount of eighty per cent (80%) of the value of said buildings and equipment therein, and in case of loss by fire, the money paid by the insurance company or companies, shall be used in restoring the property, unless otherwise agreed upon between the Lessor and the Lessee.

(10) It is agreed that no ore, waste or any other material from property or properties not owned by the Lessor,

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and leased hereunder, shall be transported through any opening or openings belonging to the Lessor and leased hereunder, and that no such ore is to be milled or treated in any mill or plant erected on these leased premises by the Lessee. Should any occasion arise when the Lessee desires to mine or mill ore from properties not owned by the Lessor, then and in that event, definite and separate arrangements must be made with the Lessor as to the charges to be paid to the Lessor for any such operation.

(11) Lessee shall pay promptly for all labor and supplies used in operations hereunder and, beginning on January 1, 1957, shall render unto the Lessor every sixty (60) days, a statement showing the monthly payroll and the amounts due for labor, supplies, etc., if any at that time, progress and nature of work done, ore discovered or developed, contemplated improvements, etc. This is to be in the nature of a financial and progress report. In this connection it is understood that the Lessee shall from time to time and in no case later than every six (6) months supply the Lessor with copies of maps, surveys, and reports prepared by Lessee relating to said property, and the work performed by Lessee thereon.

(12) No lien of any kind shall be created or suffered to attach, or be in any manner created by Lessee upon or against the said premises or any part thereof. If any lien is filed, or any such report shows any part of the payroll or other mine indebtedness unpaid when due, or if any such indebtedness exists, whether unpaid when due, or if any such indebtedness exists, whether shown by any report or not (excepting in cases of bona fide legal dispute or litigation concerning such claims), then the Lessor may, at his election, declare a forfeiture of this lease as hereinafter provided, in Paragraph 23.

Lessee shall keep posted at all times in conspicuous places near each and every entrance to the mine and on the principal buildings, a notice in clear and legible characters, in substance, as follows:

"NOTICE

NOTICE IS HEREBY GIVEN, to all parties performing labor or furnishing skill, materials, machinery or other fixtures or supplies of any kind, in, to or for the use of the Lessee, on any part or portion of this leased mining property, being a part on which this notice is posted, that the undersigned, the owner of the property, will not be responsible for any labor performed, or any skill, materials, machinery, fixtures or supplies of any kind, furnished to or for the benefit of the Lessee; not shall any interest of the owner by subject to any lien for the same, and all persons are hereby notified that these premises and the contiguous claims, have been and are now leased to: GENERAL MINERALS CORPORATION, or its Assigns, to whom all persons must look for their compensation and pay.

Dated: _____

THE REYNOLDS-MORSE CORPORATION and
B. T. POXSON, OWNERS."

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GENERAL MINERALS CORPORATION

ATTEST: BY_____

LESSEE

_____

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 1st day of February, 1956, by Anna R. Morse Garrey as President and John H. Tippit as Secretary of THE REYNOLDS-MORSE CORPORATION.

WITNESS my hand and official seal.

My commission expires: November 5, 1956

/s/ Mary Betz
Notary Public

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 1st day of February, 1956, by B. T. Poxson.

WITNESS my hand and official seal.

My commission expires: November 5, 1956

/s/ Mary Betz
Notary Public

STATE OF_____)
)
COUNTY OF_____)

The foregoing instrument was acknowledged before me this_____day of_____, 195___, by_____ as President and_____ as Secretary of GENERAL MINERALS CORPORATION.

WITNESS my hand and official seal.

My commission expires: _____

_____
Notary Public

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1440 MEADOWS BLDG.
DALLAS, TEXAS

in any and all particulars.

(28) Each and every clause and covenant of this Agreement shall extend to and be binding upon the successors and assigns of the Lessor and Lessee hereto.

EXECUTED as of the day and year first above written.

THE REYNOLDS-MORSE CORPORATION

BY /s/ Anna R. Morse Garrey

ATTEST:

/s/ John H. Tippit

/s/ B. T. Poxson
B. T. POXSON

LESSORS

said Lessee shall deliver to the Lessor the premises and property with the appurtenances and all improvements, in good order and condition, with all drifts, shafts raises and winzes, tunnels, ore chutes and other passages used by it under this lease, thoroughly cleaned of loose rock and rubbish and propery draine and the mine ready for immediate occupancy and for immediate continued work (accidents not arising from negligence alone excusing) without demand or further notice at any termination of this lease. Upon any violation by Lessee of any covenant herein reserved or any obligation or undertaking hereunder, the terms of this lease shall, at the option of the Lessor, expire and the same and the said premises, with the appurtenances, shall become forfeited to the Lessor, and its agents may thereupon enter into and upon the said premises and dispossess all persons occupying same, with or without force, and with or without process of law, or, at the option of the Lessor, the said Lessee and all persons found in occupancy, may be proceeded against as guilty of unlawful detainer; PROVIDED, HOWEVER, that if this lease is forfeited upon the election of the Lessor by reason of failure of the Lessee to perform the covenants and conditions thereof, said Lessor shall give notice to the Lessee, by registered mail, addressed to the Lessee at such address as may be furnished by it from time to time, notifying the said Lessee of such failure to perform, and upon the failure of the Lessee, within thirty (3) days to remedy such failure, then Lessee's rights under this lease shall thereupon cease and terminate and the Lessor's rights to retake possession under this paragraph shall immediately vest and may immediately be exercised, and the Lessee, or its assigns hereby agree to yield and give possession to Lessor's agent forthwith.

(24) Lessee may sublease parts of the leased premises; however, Lessee shall not be relieved thereby from performing all of the covenants, obligations, and undertakings expressed herein as the same may relate to the premises subleased.

(25) Upon request by Lessee, Lessor shall furnish to Lessee all title data in its possession, and Lessor shall have until July 15, 1956, to examine title and during such time to either reject or approve title. Failure to notify Lessor of either approval or rejection shall be considered as an approval of title. Grounds for rejection of title shall be a lack of merchantable title in Lessor to the patented claims hereinabove described. No warranty of title, either express or implied, is made herein.

(26) Lessee agrees to perform each year during the term of this lease, necessary assessment work on all unpatented claims and to file in accordance with pertinent law the necessary affidavits relating thereto.

(27) Time is of the essence of this Agreement,

operations or activities of Lessee hereunder. The Lessee assumes full and sole responsibility for the operation and direction of the work done under this Agreement and no employee or agent furnished by Lessee shall under any circumstances be deemed an employee or agent of Lessors.

(19) Any machinery or equipment of a temporary nature installed by the Lessee upon the leased premises may be removed at any time before the termination of this lease. Any other machinery or equipment installed by the Lessee upon the leased premises can, within sixty (60) days after the termination, cancellation, or forfeiture of the lease, be removed from the premises by the Lessee; PROVIDED, HOWEVER, that the Lessee is not indebted to the Lessor under the terms of this lease. No permanent improvements, track, air or water pipelines may be removed at any time by the Lessee.

(20) Whenever the Lessee is prevented from operating the leased premises, or whenever, under the terms of this lease, any act or thing is to be performed or done by the Lessee and it is prevented from so doing by an act of God, strikes, a public enemy, litigation, and unusual casualty entirely beyond its control, it shall be excused from such performances or actions, as long as such conditions aforesaid shall so prevent such action or performance, and should a stoppage of work be occasioned by any such unusual condition beyond the control of the Lessee, then and in that event, it shall not constitute a cause for cancellation or forfeiture of this lease, it being provided, however, that Lessee shall not be execused from performing any obligation hereunder by reason of such conditions for a cumulative period in excess of six (6) months during the life of this lease.

(21) This lease may be terminated by Lessee at any time as to all or any part of the leased premises without obligation or penalty of any kind, except as to any obligations which, by the terms hereof, have then accrued. In the event of partial termination, there shall be no reduction in the shift requirements set forth in Paragraph 1 hereof.

(22) Lessee waives all right or claim of any kind to any ore that may be in or on the leased premises, except under or in the dumps, ore houses or bins upon the termination of this lease, either by limitation or forfeiture, and it also waives all right and claim to any ore or concentrates remaining upon or in dumps, ore houses or bins, sixty (60) days after any termination of this lease, either by expiration or termination by forfeiture.

(23) IT IS FURTHER MUTUALLY AGREED that the

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and levied, while this lease is in effect, have been paid in full, and PROVIDED FURTHER, that Lessee and Lessors, jointly and severally shall have the right to have all Federal and State taxes lawfully levied upon the property or its product, paid out of said fund, to the extent said Fund is sufficient therefor.

(17) Settlement for all royalties on crude ore, concentrates and precipitates shall be made on each and every shipment, according to established custom of the smelter or other ore-purchasing agencies receiving such product. Should any milling or other ore-dressing be undertaken under this lease, then and in that event the Lessee shall at all times keep a complete and accurate tonnage and value record of the ore mined and milled and the results of such milling shall be open to the inspection of the Lessor, or its agents, at all reasonable times. Lessee shall also keep an accurate account of the number of tons treated in said mill during each twenty-four (24) hours the same is in operation, the value of said ore at the heads and the assay value of the tailings; and shall furnish to the Lessor, at its office in Denver, Colorado, a report on each calendar month's shipments, showing such required data with respect to the value of ore treated in any such mill, not later than the 15th day of the month succeeding the month which such report covers. All ore, concentrates or bullion shipped from said property shall be shipped under the name of THE REYNOLDS-MORSE CORPORATION and B. T. POXSON, with the name of the Lessee or its assigns, as the consignees thereof, and settlement therefor shall be made in the following manner:

(a) Instructions shall be given to the smelter or other ore-purchasing agency to pay directly to Lessors the royalties due them as provided herein in the following proportions:

The Reynolds-Morse Corporation: 3/4

B. T. Poxson: 1/4

(b) On bullion receipts or mint returns, payment therefor shall be made to the Lessee, and Lessee, not later than twenty (20) days thereafter, (1) shall make payment to The Reynolds-Morse Corporation of two per cent (2%) of such receipts as Tax Reserve Fund, and (2) shall pay the royalty provided herein for bullion sales to Lessors in the following proportions:

The Reynolds-Morse Corporation: 3/4

B. T. Poxson: 1/4

(18) The Lessee agrees to indemnify and to hold the Lessor and its property included in this lease harmless for and on account of claims, demands or liabilities arising out of or in connection with the

herein, is agreed to mean the amount of the payments received by the Lessee from the smelter to which any ore or concentrates derived from the leased premises are delivered for treatment and sale, after deduction has been made for all smelter penalties and charges, freight, and costs of transportation and haulage from the premises to the smelter. "Net mint returns," as used herein, is agreed to mean the amount of the payments received by the Lessee from the U. S. Mint or other authorized bullion purchaser, after deduction has been made for all postage, express, insurance and other handling charges incurred in connection with shipment of such bullion from the leased premises to said purchaser.

(e) It is agreed that there shall be deducted from net smelter returns on crude ores, concentrates, cyanide and other precipitates and bullion, before any royalties are computed, two (2) per cent of the value thereof, for the purpose of a Tax Reserve Fund for paying the production and acreage tax, or other taxes required to be paid by the laws of the State of Colorado, or any other legal taxing agencies; said deduction to be paid to THE REYNOLDS-MORSE CORPORATION, Lessors, for the account of the Lessors, by the smelter or other ore-purchasing agency, and same to be held by said THE REYNOLDS-MORSE CORPORATION, as a trust fund in its hands for the payment, when due, of the production and acreage tax or other taxes, as now or hereafter provided by the laws of the State of Colorado, or other taxing agencies. All said funds shall be held and used by the said Lessors, The Reynolds Morse Corporation and B. T. Poxson, for the purpose of paying such production tax under the law in regard to producing mines, or, if not in the producing class, then the acreage tax, and/or any other tax lawfully levied by any lawful taxing agencies when same become due and payable, and any surplus remaining in said Fund accumulated in the year for which the taxes were levied, after the payment of taxes, shall be equitably and ratably apportioned and paid, as the interests of the respective parties hereto may at said time appear, and such adjustment must be made as of April 1st of each year, with settlement within thirty (30) days thereafter, and must be made upon the termination of the lease, PROVIDED, HOWEVER, that no adjustment or distribution, except such as may be made upon termination of this lease, shall be made of said trust fund for taxes, until and unless either all taxes then assessed for levy have been paid, or funds reserved for such payment set aside, and in addition thereto, a reserve of twenty per cent (20%) of such surplus as may thereupon remain in said trust fund, retained in said fund at all times, for application to the payment of future taxes, when and as levied, during the effective existing life of this lease, and until all taxes assessed

Lessee is hereby appointed agent for the Lessor, for the sole and only purpose of posting and keeping posted, such notices on said premises, and any failure at any time so to keep and maintain posted such notices, or any of them, as herein required, shall constitute an immediate forfeiture of this lease and the same shall thenceforth at once be null and void and said Lessee shall become a trespasser upon the said property, and it may be proceeded against for unlawful detainer, or shall and will be considered without further rights therein.

(13) The Lessee shall not be considered the agent of the said Lessor, in any manner connected with the use and operation of the leased premises, except where such agency is expressly declared in this Agreement, and then only to the extent provided.

(14) The Lessee shall assume all responsibility for and shall save the Lessor harmless from any accidents to the Lessee or any of its employees, agents, associates or visitors upon the property of the Lessor, or being conveyed to or from the leased premises by the Lessee, its agents, servants or employees, or any person other than the Lessor, its visitors, agents or persons acting for it, and Lessee shall comply with applicable provisions of the Colorado Workmen's Compensation Act.

(15) The Lessee will not use, or permit to be used, any part of the leased premises for any purpose in violation of the laws of the State of Colorado, or of the laws of the United States of America, and Lessee shall not do, or permit to be done by any person or persons, under its direction and control, any act or thing that will endanger the buildings or cabins upon the Lessor's property, such as would invalidate any insurance that may be had or placed thereon.

(16) The Lessee shall pay to Lessor in the manner hereinbelow set forth a royalty upon all ores, minerals, and metal produced and sold from the leased premises computed on the following basis:

(a) A flat royalty of 8-1/2% of net smelter returns from the sale of all mill concentrates and cyanide and other precipitates;

(b) 8½% of the net mint returns from the sale of bullion.

(c) On all shipping grade ore with an assay value of less than $75.00 per ton: 10%.

On all shipping grade ore with an assay value of $75.00 or more and less than $150.00 per ton: 15%. On all shipping grade ore with an assay value of $150.00 or more and less than $400.00 per ton: 20%. On all shipping grade ore with an assay value of $400.00 or more per ton: 25%.

No ore over the value of $150.00 per ton shall be milled if the same is a part of an ore body reasonably estimated to contain over 5000 tons.

(d) "Net smelter returns," as used

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3. (f) Unpatented claims, Book and Page number, Rio Grande County, Colorado:

	Book	Page
SCMI 1	80	308
SCMI 2	80	308
SCMI 3	80	309
SCMI 4	80	310
SCMI 5	80	310
SCMI 6	80	310
SCMI 7	80	311
SCMI 8	80	311
SCMI 9	80	312
SCMI 10	80	312
SCMI 11	80	313
SCMI 12	80	313
SCMI 13	80	314
SCMI 14	80	314
SCMI 15	80	315
SCMI 16	80	315
SCMI 17	80	316
SCMI 18	80	316
SCMI 19	80	317
SCMI 20	80	319
SCMI 21	80	317
SCMI 22	80	320
SCMI 23	80	320
SCMI 24	80	321
SCMI 25	80	321
SCMI 26	80	322
SCMI 27	80	322
SCMI 28	80	318
SCMI 29	80	318
SCMI 30	80	319
No Good Lode	80	343
Confusion	80	343
Century of Progress	80	299 (Not listed on R-M Lease)
Pickens Placer	80	298 (Not listed on R-M Lease)
G & P Placer	80	298 (Not listed on R-M Lease)
G & P Placer	80	296
G & P #1 Lode	80	297
G & P #2 Lode	80	297

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4. (a) Mining at Summitville started with placer gold operations in 1870. Lode gold mining started in 1873, and has continued intermittently until the present; the periods of maximum production being 1873-1899 and 1935-1942. The mine has been extensively developed on over 20 levels for a total of at least 40,000 ft. of underground workings. Eleven stamp mills were erected on the property during the 70's and 80's, all of which were eventually dismantled or wrecked. In 1935-36 the A. O. Smith Co., then lessee of the property, erected a modern 300 T.P.D. cyanide and flotation mill, which operated until 1942. A. O. Smith also built a compressor house, machine shop, warehouse, office, large bunkhouse for 200 men, store, and at least 50 homes, besides numerous other structures. A 26-mile, 22,000 volt power line brings electric power in from Del Norte, and there is telephone service, piped running water, and steam heat in the major buildings.

Most of the old mine workings are inaccessible, being caved, or due to ice in the portals, but four of the principal levels are being reopened at the present writing.

At the present time, and since June 1, 1956, the General Minerals Corporation is engaged in rehabilitation of the mine workings at Summitville with the primary purpose of exploring for copper orebodies as previously explained. Our work to date has involved the following operations:

1. Rehabilitation of the first 500' of the Iowa tunnel and diamond drilling from it in the Tewksbury vein.

2. Rehabilitation of the Chandler tunnel with the object of sampling copper oreshoots in this tunnel and also of drilling below the Chandler on the Annie and Tewksbury veins.

3. Rehabilitation of the Reynolds tunnel with the object

of gaining access to the Copper vein, the Hidden vein, and the South Tewksbury tunnel drift.

4. Rehabilitation of the camp commensurate with our exploratory program.

This work is continuing. The results achieved to date, January 31, 1957, under these various headings are as follows:

1. The Iowa tunnel was rehabilitated to a point just east of the Tewksbury vein. Diamond drilling was started into this vein from a point in the tunnel as shown on the print entitled "Exploration Tewksbury Vein - Iowa Tunnel", accompanying this report, and also on logs and assays of the holes drilled. The two holes completed intersected mineable thicknesses of vein with ore values in copper, silver, and gold. A third hole was started but was discontinued before reaching the vein because the advent of winter brought snow and cold which made further drilling at this high, exposed location impossible. Drilling there will be resumed when weather conditions permit. In the meanwhile, it is felt that these preliminary results give confirmation of our hypothesis of copper oreshoots underlying the gold oreshoots at Summitville, and also justify the portion of this DMEA application pertaining to drifting and drilling on the Tewksbury vein at the Reynolds level below the area where this ore was found by our drilling.

2. The Chandler tunnel has been rehabilitated to a point approximately 600' in from the portal. We are presently removing caved material from the east drift on the Chandler level. We need to go about 300' further in this east drift to reach a point opposite the copper oreshoot on the west drift mapped and sampled by Ewing and Smith as shown on the map accompanying this report: "Assay Map: Chandler Tunnel Level". When this point is reached we will drill

angle diamond drill holes into the Annie vein at a depth of 100'-150' below the Ewing and Smith sampled area, and as much north and south of this area as ore values may persist. The pursuance under this DMEA application of the portion of our program entitled "Annie Vein" is entirely dependent upon the success of this preliminary drilling from the Chandler level, and if this drilling does not find ore on the Annie or Tewksbury veins between the Chandler and Reynolds levels, then we shall not wish to go ahead with the "Annie Vein" program as outlined.

3. The Reynolds tunnel has been rehabilitated to a point on the Hidden vein drift about 200' west of its intersection with the Reynolds tunnel, and in the tunnel itself to a point about 240' short of its intersection with the Tewksbury vein. At both of these points the tunnel is blocked by caves, and these caves will be removed as the work progresses. Natural air circulation has been established through the cave in the Reynolds tunnel itself and up the Reynolds raise at 8050N, 7500E to the Iowa level, thus eliminating the bad air problem. Abundant assay information is available for channel and car samples taken in the Hidden vein and Tewksbury vein areas on the Reynolds level, and these copper and gold assays are shown on the map accompanying this report entitled "Assay Map: Reynolds Tunnel Level".

4. In the camp itself, living quarters and boarding house facilities have been fixed up for 17 employees, and these can easily be expanded to take another ten or so men. The electric power line from Del Norte has been rehabilitated and put into use, and the transformer substations at Summitville also repaired. One of the Chicago Pneumatic horizontal compressors has been put into

use, and this is rated at 650 c.f.m. and supplies air to the Reynolds level. The water pumps and storage system have been repaired and put into use, as has the steam heating system for the living quarters. Snow sheds have been built on the Reynolds and Chandler levels. The machine shop has also been partially rehabilitated. Another 600 c.f.m. Gardner-Denver diesel compressor has been installed and a small change house built at the portal of the Chandler tunnel.

The present operators have had no interest in previous development and production at Summitville with the exception of the rehabilitation and drilling which has gone on since June 1, 1956.

(b) There is no current production at Summitville.

Past production records are fairly reliable since 1900, but the figures for 1870-1900 must be considered approximate only, since accurate records were not kept. Production figures are given in net smelter returns at then prevailing metal prices, and data for tonnage and grade of ore from which this metal was extracted is not available.

1870-1926	(W.S.B.M. Estimate)	$ 2,266,805
1926-1931	(Wiley-Pickens Lease)	501,261
1934-1942	(A. O. Smith operation)	3,755,210
1942-1947	(Garrey-Poxson operation)	358,662
1947-1949	(Jones-Nylene Lease)	3,174
	Total	$ 6,885,112

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These statistics differ in minor details according to various sources, but they are essentially correct. No breakdown is available of the proportionate amounts due to gold, silver, and copper, but an approximate estimate is that 92% of the total value came from gold, 7% from silver, and 1% from copper.

The amount of ore reserves now known as rigorously blocked out is small. All of these are contained in four blocks estimated by G. H. Garrey in his report of March, 1953, as follows:

	Tons	Value
Block A	8400	$ 137,900
Block B	1125	80,000
Block C	3500	306,600
Block F	2850	57,000
Total	15,875	$ 581,500

These values are all in gold and silver.

Additional reserves in the "probable" and "possible" class are known, but it would be pure speculation to place a tonnage figure or value on them. G. H. Garrey, P. B. Butler, and others who have made such estimates, calculate the possible ore in hundreds of thousands of tons and the possible value up to $17,000,000 down to the Reynolds level alone. In particular, insufficient data on the length, width and grade of the known copper oreshoots is available for making any kind of a reliable estimate. Sufficient data is at hand to show that these possibilities are substantial, and it is the purpose of the current exploration to establish these values more precisely.

(c) The geologic features of this deposit have been studied by numerous investigators, of which the following are some of the principal ones:

1. Ewing & Smith Thesis. "Report on the Little Annie Group of Mines". Colorado School of Mines, 1899. (Original available at Colorado School of Mines Library)

2. Patton, H. B. "Geology and Ore Deposits of the Platoro-Summitville Mining District, Colo." Colorado Geological Survey, Bulletin 13, 1917. (This report incorporates much data from the Ewing & Smith thesis)

3. Butler, P. B. "Data Concerning the Summitville Group Mines" - 1928. (copy of report appended)

4. Garrey, G. H. - "Report Upon the Properties of the Summitville Mines Corporation" - 1931, revised 1950. (copy of report appended)

5. Garrey, G. H. - "Report on the Summitville Mines" - 1953 (copy of report appended)

6. Steven, T. A. and others - "Geology of the Summitville District" U.S.G.S., in press.

The most comprehensive studies available to date have been those of G. H. Garrey, who has been associated with this property since about 1927. Although it must be recognized that he is a part owner of the property, and his reports were intended to influence possible investors in the property, his outstanding reputation and integrity make these reports of considerable value. Numerous other maps and reports written by him in a consulting capacity for A. O. Smith from 1935 through 1942 are also available and testify to the thoroughness of his studies at Summitville.

For a detailed description of Summitville geology, reference is made to the reports cited. Reports Number 1 and 2 are available at appropriate libraries. Reports Number 3, 4, and 5 are appended in single copies with this application. These copies are the only ones available and it is requested that they be returned to General Minerals Corporation after this

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application is processed. Report No. 6 is available to authorized personnel from the U.S.G.S., Denver Federal Center. A brief description of the geology and mineralogy follows:

All the rocks at Summitville are igneous and of the San Juan series of volcanics, ranging from early to middle Tertiary age. Most of the rocks are porphyritic and approach quartz latite in composition, although some of the older flows are andesitic.

The mine itself is in an area of intense alteration, alunitization, and silicification. There is a complex system of veins trending roughly N30°W - S30°E, with many of the less prominent veins intersecting this system at random angles. The veins consist of tabular, generally vertical dipping zones of intense leaching and silicification, flanked on either side by less silicified, altered zones characterized by abundant clay minerals and alunite. The length of the major zone, along the Tewksbury and Annie veins, is at least 3500'. The depth of the veins is unknown, but several of them are found at the Reynolds level (11,318') which are known to outcrop at 12,000' or higher, and the Reynolds level represents the deepest penetration of the ore zone so far.

At the outcrop, veins are generally vuggy (due to the leaching of feldspar phenocrysts), iron-stained, and consist almost wholly of quartz. Copper staining is rare or absent, even on outcrop of veins known to carry copper in depth. The sole ore mineral in the upper portion of the veins is gold, which is free and extremely finely divided, so much so that specimens known to carry as much as 100 oz. per ton seldom have gold discernible to the naked eye. Some finely divided pyrite is also found in the upper parts of the veins.

At depth, copper minerals become more abundant. In order of abundance these are enargite, luzonite, covellite, chalcocite, and chalcopyrite. Pyrite is widespread and occasionally in the deeper workings galena may be found in rich pods. Some tennantite is probably present and may carry the good silver values found with the better copper ores. Other minor vein minerals noted are native sulfur and barite, and among gangue minerals alunite is very prominent.

The presence of copper ores in the deeper workings at Summitville was recognized by Ewing and Smith and subsequent investigators, and their value has thus been apparent for at least 57 years. Nevertheless, no serious attempt has ever been made to explore for and develop these copper ores. This is difficult to understand, considering the grades and vein widths which have been reported. There are several factors which, however, undoubtedly influenced this situation:

1. Prior to the development of flotation about 1920, no satisfactory means was available to concentrate the Summitville copper ores, consequently only direct-shipping copper ores could be mined, and lacking a copper smelter in Colorado, freight and treatment charges were high.
2. The higher grade gold ore was not usually found in connection with the copper-bearing ore.
3. With the advent of cyanidation, copper-bearing ores were avoided because of the cyanicide effect of copper.
4. The best copper showings are reported to be in the Annie Vein on the Reynolds level. Access to these workings has been difficult or impossible ever since the Reynolds level was

driven in 1901 because of nearly 5000 ft. of tunnel which was always difficult to maintain, and which has been caved shut during most of that time. The only other access has been through a winze with an offset in it from the Chandler level. Ventilation has been a problem, and no operator has cared to go to the great expense of reopening the old tunnel or driving a new one.

5. The several rich gold strikes which have been made from time to time, culminating in the Wiley-Pickens strike in 1926 (where 690 tons were mined averaging about 35 oz. gold per ton) have tended to obscure the fact that potentially greater riches are available in the unexploited copper values at Summitville. Most of the exploration effort expended has been toward finding further high grade gold oreshoots.

The veins that outcrop at Summitville seldom show any copper at all on the surface. Even to a depth of 200 ft., traces of copper are rare and the gold ore consists of grey or iron-stained, leached, silicified quartz latite. Below 250' to 300', however, a change is noticeable in almost all veins that have been investigated to such a depth: the sulfide content increases, the gold content decreases somewhat, and copper minerals become more abundant. Usually there is no zone of oxide copper minerals, and copper sulfides grade upward into barren vein quartz. It is not known whether the absence of copper in the upper levels at Summitville is due to leaching by downward percolating acid ground-waters derived from oxidizing pyrite in the veins, or whether it is due to a primary zoning effect, in which copper mineralization never did reach the upper portion of the veins. Certainly, zoning of gold content in the veins is marked,

and the writer doubts that the bonanza oreshoots found at grass roots were the result of secondary enrichment of gold. Much more study will be needed before the question of zoning can be answered, but in any event copper ores do exist in nearly all the veins at depth.

Ewing and Smith's report and map on the Annie Vein shows a 220' stretch on the Chandler level where 20 carefully cut channel samples revealed 2.6% Cu, 1.17 oz. Ag, and .17 oz. Au. The vein was everywhere wider than the drift. The International Mining Co. sampled the same stretch of tunnel in 1931 for gold and silver only, and came up with 1.18 oz. Ag and .23 oz. Au for an average of 28 samples. Samples taken on the Ida level, only 100 ft. higher on the vein, show only traces of copper. No record can be found of similar sampling done on the Reynolds level, (at the time of Ewing and Smith's report, the Reynolds level had not yet been driven) but letters by C. F. Palmer in 1902 (see the P. B. Butler report) and a report by Pickens in 1930 indicate that the Annie vein is mineralized with copper and gold over a length of 500-600 ft. on this level, with copper grade "4% - 5%". This, if true, would make a most attractive oreshoot.

The primary purpose of our exploration effort at Summitville will be to investigate the copper ores known, on the basis of foregoing and other data, to be found there in depth.

(d) <u>Access Roads</u>

There are at present two access roads leading into Summitville. One of these is 26 miles long and comes in from Del Norte. It is maintained by the county in the summer and is an excellent road then, but in the winter heavy snows on an 8-mile stretch, all of which is above 11,000 ft., and some above 12,000, make maintenance

too difficult and the road is closed. In 1956 this road was opened about May 1 by the county, and was closed by the first heavy snow on October 23.

The other access road is 43 miles long. From Monte Vista one goes south 12 miles on State Highway 15, thence west 24 miles up the Alamosa River toward Platoro, and finally 7 miles up Wightman's Fork on a steep road with several switchbacks. This road is longer, but the county will maintain all except the last seven miles all year. This last seven miles is difficult but can be kept open, and only the last mile is above 11,000 ft. It is the access road that is used during the six months period of deep snows.

Distance to Shipping

Del Norte and Monte Vista, 26 miles and 43 miles away respectively, are the nearest shipping points for highway transport. Alamosa, 48 miles by road to the east, is the nearest rail shipping point, and connects with the D. & R. G. W., both narrow and standard gauge lines.

Supply and Residence Points

Del Norte and Monte Vista are the nearest towns, and such supplies are available, especially at Monte Vista, as one might find in any town of 5,000 population. Because of their considerable distance from the mine, all employees will live at the mine except when visiting their families on weekends. Quarters are at present available in the warehouse-office building for 17 single men and there are three apartments available for small families.

(e) Manpower

Experienced miners are scarce in Del Norte, Monte Vista, or the San Luis Valley in general. The best source of such manpower

is at Leadville, and to a lesser extent in the Ouray-Telluride mining district and on the Colorado Plateau. In general, however, the demand in Colorado for qualified hard rock miners exceeds the supply.

Materials, Supplies and Equipment

Common-place materials and supplies are available at Monte Vista or Del Norte, but for items such as mining machinery, rail, large sizes of pipe, special trucks, etc., it is usually better to go to Grand Junction, Salt Lake City, Pueblo, or Denver. Good coal is available at Walsenburg. Mine timber is available at Monte Vista and other nearby points from loggers who are cutting tracts of national forest. In addition, there are two patented timber tracts totaling 320 acres owned by the mine which are close by and which can supply all mine timber requirements as soon as timber usage becomes large enough to justify installation of a sawmill.

Water

Water is available at Summitville from Wightman's Fork just west of the campsite. From this point it is pumped by an electric motor driven pump to two large storage tanks south of and 200' higher than the camp. This source of water has always been sufficient for all mine, camp, and milling purposes. The 1955-56 snowfall was lighter than usual and the Summer of 1956 was unusually dry, as a result, the stream flow in Wightman's Fork is diminished and pumping from the reservoir has to be carried out intermittently instead of continuously as before. However, there is still plenty of water for all purposes in the foreseeable future.

Power

Power is supplied to Summitville through a 26-mile, 22,000 volt, three-phase power line from Del Norte, by the Public Service Company of Colorado. Adequate transformer capacity is available at the mine substation for all foreseeable mining and milling purposes.

5. (a) We wish to explore for copper ores, carrying subsidiary gold and silver values.

(b) It is proposed to carry on the following exploration projects:

Annie Vein

1. The Annie vein is probably the strongest and most intensely mineralized structure at Summitville. Ore grade material is known in the shoot on the Chandler level, and the length and richness of this shoot seems to be increasing with depth. The southernmost workings on the Annie vein, Reynolds level, are supposed to have stopped in copper ore, and where the Reynolds crosscut tunnel intersects the "Copper Vein" which is the southern extension of the Annie vein, at coordinates 8700N, 7900E, a small, rich shoot of copper ore was found which over 1.5' width sampled 10.7% Cu and 6.3% Pb. Continuity of this vein with the Annie vein is indicated by its strike and by the fact that a vein was followed along this strike on the Narrow Gauge level for 680' which contained some gold values but, being in the zone of oxidation, no copper. This vein is shown on the map between coordinates 8760N, 7830E and 9190N, 7300E.

It is felt that exploration along this vein at the Reynolds level would give an excellent prospect of developing copper oreshoots between the main Reynolds crosscut and the old workings on the main part of the Annie vein near the Reynolds winze. To accomplish this,

exploration of a drift would be needed 1300' long and striking N47W from 8700N, 7900E to 9575N, 6955E. The drift should be driven, if possible, so as to make a grade connection with the old Annie workings so these can be entered, cleaned out, and sampled.

2. Upon reaching and sampling the old workings on the Annie vein on the Reynolds level, if oreshoots are found, some drilling should be carried on to explore for the continuation of the shoots below the Reynolds level. This drilling should be done from outside the vein, and in order to locate suitable drill stations, it will be necessary to drive about 595' of crosscuts to give four good drill locations.

3. Having established the drill locations, it would then be desirable to drill about 2400' of holes to explore the vein to 300' below the Reynolds level.

4. Further, if step 3 results in discovery of ore continuity, it would be desirable to drill one hole approximately 800' long to establish vein continuity to 600' below this vein zone.

SUMMARY - ANNIE VEIN

1. 1300' of drifting.
2. 595' of crosscutting.
3. 2400' of diamond drilling (6 holes)
4. 800' of drilling (1 hole)

Hidden Vein

1. Above the Reynolds level on the Hidden vein there is known to be a good copper-gold oreshoot at 8480N, 7450E. To check for continuity below the Reynolds level, two or three holes should be drilled from a point 40' west of station 524. Total length of drilling recommended - 600'.

2. The Hidden vein drift at 8550N, 7330E ended in ore. This drift should be driven along the vein to connect with the Reynolds

level north drift at 8630N, 7160E, for a distance of 85'N 67°W to check for continuity of the oreshoot.

Tewksbury-McDonald Vein Area

1. The diamond drilling done on the Tewksbury vein from the Iowa level revealed the presence of an oreshoot as shown by the attached map, drill logs, and assays. In order to test for the downward continuity of this oreshoot to the Reynolds level, the Reynolds tunnel south Tewksbury drift at 7815N, 7580E should be driven along the vein for 575' S28°E.

In support of the above exploration it is appropriate to quote from a letter dated 8/30/56 from Edward Thornton to R. V. Gaines. From 1935 through 1942 Thornton was General Manager at Summitville for the A. O. Smith Corp.: "I was much interested in showings of copper on the southeast drift at the endoof the tunnel. As I recall, the showings were about 2% and we drilled several side holes to 20 ft. or more that also showed copper."

These showings would be at the point where the recommended 600' of drifting would start.

2. Drive a 200' crosscut from the Tewksbury drift at 7815N, 7580E in a S60W direction to cut the downward extension of the McDonald vein.

3. Similarly, if (1) is successful, drill 1200' of holes from a drill station about 180' outside the Tewksbury vein to test for downward continuity of the vein below the Reynolds level.

SUMMARY - TEWKSBURY VEIN

1. 575' of drift.
2. 200' of crosscut.
3. 180' of crosscut
   1200' of drill holes (3 holes).

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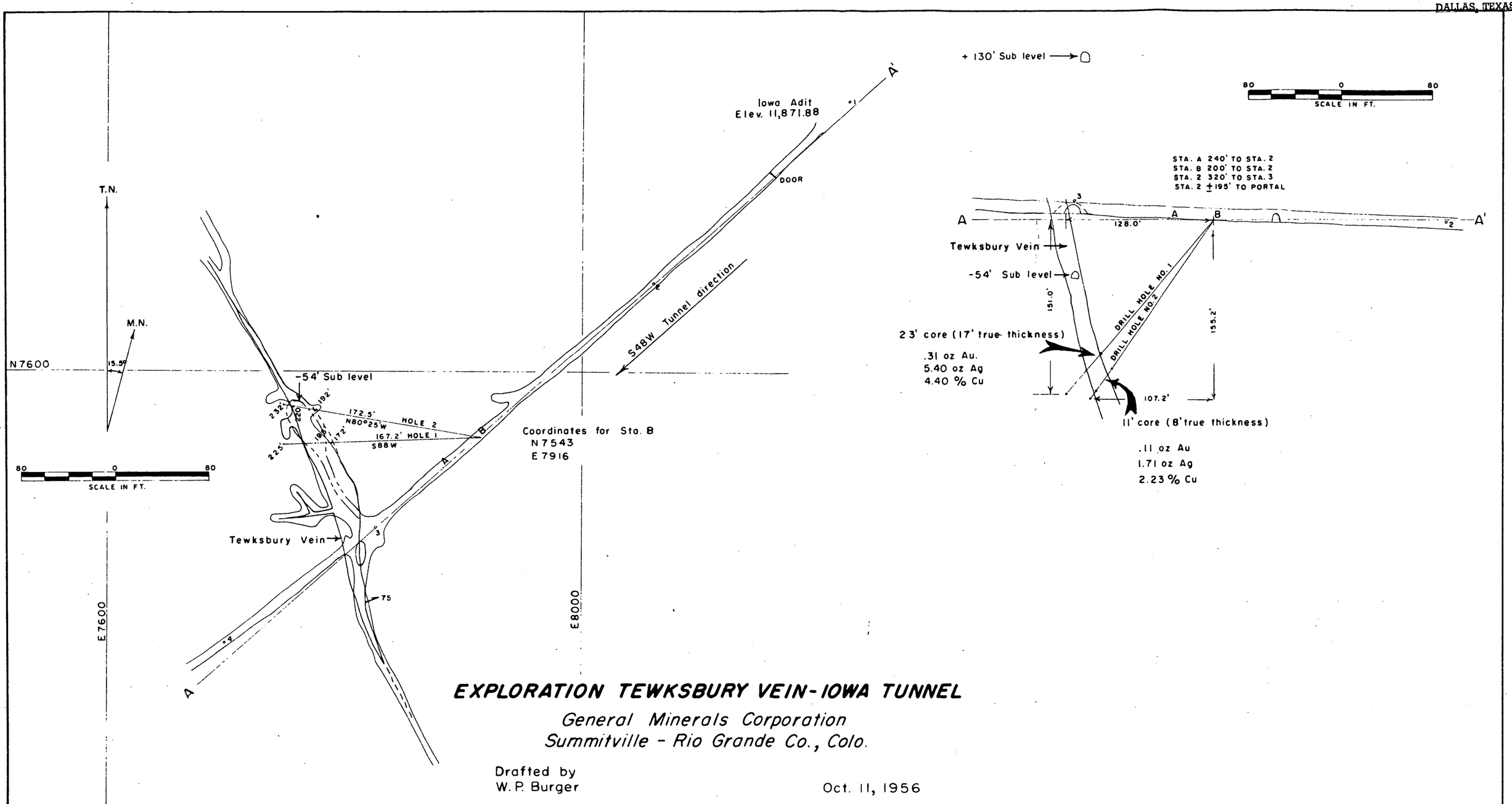

EXPLORATION TEWKSBURY VEIN-IOWA TUNNEL

General Minerals Corporation
Summitville - Rio Grande Co., Colo.

Drafted by
W. P. Burger

Oct. 11, 1956

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SUMMITVILLE DIAMOND DRILL HOLE # 1
Tewksbury Vein from Iowa Level

Coordinates of Collar: N 75475
E 79140

Length: 225'
Direction: S88°W
Dip: 42°

Started: September 3, 1956
Completed: " 28, 1956

Footage	Interval Ft.	Core Recovered	% Recovery	Sample No.	Assays Au	Assays Ag	Assays Cu	Weighted Average 172' - 195' Au	Weighted Average 172' - 195' Ag	Weighted Average 172' - 195' Cu
168-172	4	6"	12.5	383	.18	.7	.55			
172-174	2	6"	25	384	.12	1.8	2.0	.24	3.6	4.0
174-176	2	6"	25	385	.44	9.8	7.4	.88	19.6	14.8
176-177	1	6"	50	386	.79	13.6	8.4	.79	13.6	8.4
177-178	1	6"	50	387	.08	2.1	2.7	.08	2.1	2.7
178-179	1	9"	75	388	.09	2.5	2.3	.09	2.5	2.3
179-182	3	16"	44	389	.12	2.9	3.6	.36	8.7	10.8
182-184	2	11"	46	390	.76	9.2	8.1	1.52	18.4	16.2
184-186	2	10"	42	391	.58	9.1	7.3	1.16	18.2	14.6
186-189	3	20"	56	392	.29	6.1	5.3	.87	18.3	15.9
189-191	2	18"	75	393	.44	6.4	3.4	.88	12.8	6.8
191-193	2	16"	67	394	.07	1.3	.95	.14	2.6	1.9
193-195	2	12"	50	395	.12	2.5	1.8	.24	5.0	3.6
195-197	2	13"		396	.08	1.4	.8			
197-199	2	21"		397	.19	.9	.35			
				Totals			-	7.25	125.4	102.0
				Av. Grade			-	.31	5.4	4.4

The ore section was from 172' - 195', for a total of 23'. 136" of core was recovered in this section out of a possible 276" for 49% core recovery. True thickness of vein represented by 23' of core is 17', assuming vertical vein and 42° dip of hole.

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SUPERIOR DIAMOND DRILL HOLE # 2
Newsbury Vein from Iowa Level

Coordinates of Collar: N 75475
E 79140

Length: 232'
Direction: N80°25W
Dip: 42°

Started: September 17, 1956
Completed: October 13, 1956

Footage	Interval Ft.	Core Recovered	% Recovery	Sample No.	Assays Au	Assays Ag	Assays Cu	Weighted Assays Au	Weighted Assays Ag	Weighted Assays Cu
192-194	2	10"	42	409	.19	1.8	2.7	.38	3.6	5.4
194-197	3	21½"	60	410	.09	2.0	3.1	.27	6.0	9.3
197-199	2	9"	38	411	.16	1.4	1.6	.32	2.8	3.2
199-202	3	14"	39	412	.04	1.2	1.4	.12	3.6	4.2
202-203	1	12"	100	413	.11	2.3	2.4	.11	2.3	2.4
203-205	2	23"	56	414	.045	.9	0.6	.09	1.8	1.2
205-207	2	20"	83	415	.03	.9	0.4	.06	1.8	.8
207-208	1	12"	100	416	.15	2.3	2.1	.15	2.3	2.1
208-210	2	18"	75	417	.12	.8	0.7	.24	1.6	1.4
210-212	2	17"	71	418	.13	1.4	1.2	.26	2.8	2.4
212-217	5	0	(Five foot opening encountered, no core. This could be a crack or an old working, although none is shown on the maps).							
217-220	3	14"	39	419	.08	1.4	1.1	.24	4.2	3.3
Totals (to 212')	20	156½"	65					1.20	18.8	24.5
Av. Grade								.10	1.48	1.02

The ore section was from 192'-212' for a total of 20'. True thickness of vein represented by 23' of core is 15'. Average grade of 11' of core (8' true thickness) from 192' to 203' is .11 Au, 171 Ag, and 2.23% Cu.

5. (c) The work will start within 30 days and be completed within 13 months from the date of an exploration contract.

(d) Operating experience and background

General Minerals Corporation was formed as a new corporation, with assimilation of some older corporations, on June 3, 1955. Executive Offices are maintained in Dallas, Texas, and exploration offices for western operations are in Grand Junction, Colorado. Since June 1955, a vigorous exploration and development program has been carried out on numerous properties in the United States and Mexico. Properties producing during this period have included:

Name	Location	Ore	Production
Freezeout	Custer Co., South Dakota	Uranium	12 T/day
Copper Queen	Battle Mountain, Lander Co., Nevada	Copper	300 T/day
Las Antillas	Magdalena, Sonora, Mexico	Manganese	50 T/day

Over 18,000 feet of exploratory drilling has been done in the Western United States since August 1955, and is continuing at present. A wholly-owned subsidiary, Research, Inc., was a consulting firm in geology and geophysics for over ten years prior to being absorbed into General Minerals in 1956. Oil producing properties in Oklahoma and Texas furnish income each month and development along this line of production is continuing.

Numerous properties in the United States and Mexico, either leased or owned by General Minerals Corporation, are in various stages of exploration.

Personnel and their experience include:

S. Y. Guthrie, President, has been in the mining business since 1949, chiefly gold, coal, and uranium. Prior to this, he was associated with the Dallas Air Conditioning Co. for over 20

5. (d)

years and served as its President during most of this time. Mr. Guthrie also had an interest in the Texas Frozen Foods Co. He is a graduate of the University of Texas with a degree in Mechanical Engineering.

S. Y. Guthrie III, Vice-President, has been in the mining business for five years, chiefly in oil and uranium. He attended St. Mary's College, San Antonio, Texas, and was associated in an executive position with Exploration & Development Co., Plateau Uranium Mining Co., and the organizational group of Sabre Uranium Corporation prior to joining General Minerals Corporation in 1955.

Fred H. Connally, Secretary-Treasurer, received his degree in Economics and Accounting from the University of Texas in 1925. He is a Certified Public Accountant and enrolled to practice as Agent before the Treasury Department. Mr. Connally was with Gulliland Refining Company and joined General American Oil Company as Auditor in 1936. He is now Vice-President and Treasurer of General American Oil Company and was elected Secretary-Treasurer of General Minerals Corporation in 1955.

James A. Barnett, Assistant Secretary-Treasurer, is a graduate Accountant. He had been associated with Gulf Oil Corporation, Kermit, Texas; Venezuelan Atlantic Refining Co., Caracas, Venezuela; and Squibb-Taylor, Inc., Dallas, Texas, prior to joining General Minerals Corporation in 1955. Mr. Barnett has direct control over all payrolls and accounting for the corporation.

Dr. Richard V. Gaines, Manager of Western Operations, has been a Geologist and Mining Engineer since graduation from the Colorado School of Mines in 1940. He has his A. M. and Ph. D.

5. (d) Continued

in geology from Harvard. He has been employed by the New Jersey Zinc Co. in Franklin, New Jersey; Timmins Ochali Mining Co., Medellin, Colombia; National Lead Co., Tahawus, New York; Harvard University, Cambridge, Massachusetts; Exploration, Inc., Joplin, Missouri; and Research, Inc., Dallas, Texas, prior to joining the staff of General Minerals Corporation. Dr. Gaines has also done consulting work.

Robert L. Jones, Summitville Operations Manager, has been a Mining Engineer since graduation from Michigan College of Mines in 1932. He has been employed by Snyder Mines, Inc. and Combined Metals Reduction Co., Mercur, Utah; the U. S. Bureau of Mines, Salt Lake City, Utah, and since 1945 has had his own business as the Jones Lead and Zinc Mine, Leadville, Colorado. He has operated the Garibaldi and Resurrection #2 Mines in Leadville as well as having had a lease in Summitville, Colorado. Mr. Jones also does consulting work.

Dr. Dirk den Baars, has been employed as a Mining Geologist since graduation with a Ph. D. in Geology and Petrology from the University of Leyden, Netherlands, in 1954. He was employed by General Exploration Co., The Hague, Netherlands, as a Mining Geologist in French Morocco prior to joining General Minerals in 1956. Since then he has done property examination, exploration, development, and production in the western United States and Mexico.

Geologist William G. Kane has been engaged in private and consulting work since graduation from Montana School of Mines in 1920. During the period 1942-1945 he was Chief of Metals, Minerals Division, Mexico Branch of Board of Economic

5. (d)

Warfare and Foreign Economic Administration on Exploration, Development and Procurement of Strategic Metals and Minerals for Metals Reserve. He has done consulting geologic work for American Smelting & Refining Co. and some of their various subsidiaries, Penoles, San Luis Mining Co., Du Pont, Armco's Mexican Steel Project, Alcoa, Aluminum Company of Canada, and various other mining companies both in the United States and Mexico. Mr. Kane joined General Minerals Corporation in 1956 as a Consulting Geologist.

Howard H. Fields, Mining Engineer, received his degree in 1913 from the Michigan School of Mines. Since then, he has worked as an Engineer and Mine Operator. He owned and developed the Iron King Mine in Humboldt, Arizona. He was employed with the Kennecott Mine, Alaska; with the Cerro de Pasco, Peru; was an ore buyer for A. S. & R. Co. in the Southwest and Mexico, and has operated mines in Cripple Creek, Colorado; Carbo, Sonora, Mexico, and other localities in Colorado, Arizona, and Mexico. He was Mining Engineer for Gilcrease Oil Co. in Mexico prior to joining General Minerals Corporation in 1956.

John B. Rigg, Drill Superintendent, has been in the mining business since graduation from the University of Nebraska in 1949. Mr. Rigg was employed by the U. S. Geological Survey Hydrologic Division, Salt Lake City, Utah, and Minerals Engineering Company, Grand Junction, Colorado, prior to joining General Minerals Corporation in 1955. Mr. Rigg has owned and operated uranium mines since 1950. He supervises equipment and purchasing for General Minerals Corporation as well as drill supervision.

6. Estimate of Costs

The costs under the proposed exploration program cover a total time period of twelve months. During this time, four separate sections of exploration will be implemented. These are as follows:

1. New tunneling. This includes exploration drifting along various veins as well as crosscuts and drifting to drill stations. Total time estimated at nine months.
2. Contract Drilling Supervision. This includes part of the time during work by drilling contract as shown under Item 6a. Air, water, transportation, boarding, handling of cores and interpretation of results are shown. These costs (during the above mentioned new tunneling program) are listed at a total time estimate of nine months.
3. Drift Rehabilitation. Some of the drill stations and points of drift exploration are at locations in old workings not now being used. In order to prepare these workings for access by exploration crews, a time of 1.9 months (during the above mentioned new tunneling program) is listed.
4. Drill Stations. The contract drill operators require stations for pulls of not less than 10' for setup of drilling, necessitating a station of not less than 13' in height of back and of sufficient size for various hole angles as indicated on the accompanying maps shown under Item 5b. Costs of these preparations (during the above mentioned new tunneling program) are listed at a total time estimate of .8 month.
5. Contract Drill Supervision. This includes part of the time during work by drilling contract as shown under Item 6a. Air, water, transportation, boarding, handling of cores, and

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

interpretation are shown. These costs are after completion of the new tunneling program and are listed at a total time estimate of three months.

COPY

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DALLAS, TEXAS

S & M SUPPLY CO.
Grand Junction, Colo.

January 15, 1957

General Minerals Corp.
Box 446,
Grand Junction, Colorado

Gentlemen:

We are pleased to quote you as follows: F. O. B. point of shipment - Grand Junction, Colorado.

Rental rates per month single 8 hr. shift. for each additional shift add 50%

550 c.f.m. Electric driven compressor	per	month	$ 400.00
HD15 Tractor w/dozer	"	"	1500.00
2 Ton Electric Trammer w/charger	"	"	500.00
1½ Ton Electric Trammer w/charger	"	"	350.00
28 c.f. Rocker dump cars	"	"	35.00
2 Drill Jumbo			400.00
12B Eimco Mucker			250.00
H10AL92 Drill w/telescopic leg			85.00

COPY

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

McCOY COMPANY
Orchard Mesa
Grand Junction, Colo.

January 17, 1957

Mr. John Rigg
General Minerals Corporation
Box 446
Grand Junction, Colorado

Dear Mr. Rigg:

We are pleased to make the following proposal on a rental of a "Caterpillar" tractor:

1 _ New "Caterpillar" D7 Tractor equipped with 4 lights, 22" pads, track guards, crankcase guard, #25 double drum cable control unit, angle dozer, electric starter for gasoline starting engine and large front idlers

RENTAL:

First month. . . . . $ 3715.00
Second and following months. 1857.00

Minimum rental period nine (9) months.

All equipment on this tractor is of standard Caterpillar Manufacture.

You will find enclosed, specification sheets covering the D7 tractor, the 7A dozer blade, and the #25 cable control unit.

Should there be any further questions, please do not hesitate to contact us and we hope to be favored with your business.

Very truly yours,

McCOY COMPANY

/s/ W. A. Stout
Western Area Manager

WAS/reg
Enclosure

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

January 21, 1957

General Minerals Corporation
1129 Colorado Avenue
Grand Junction, Colorado

Gentlemen:

We are pleased to quote the following items on a straight rental contract on which a minimum of nine months would be guaranteed:

	Price	Monthly Rental
1 - J2F rail type Jumbo with two JB Model Booms, 24" gauge, JMA Hydraulic Power Pump, Hydraulic Roof Jack (Specify height of heading), Line Oiler and Brake Assemblies for Two Wheels, Hydraulic Boom Lift and Swing Cylinders, Hydraulic Control Valves and Hose for Boom Lift and Swing Cylinders Mounted on Boom or Within 5 feet of Boom Mounting, JA-88X clevis, COL.-1006CX Saddle Mounting or JA-193CX Swivel Arm - F.O.B. Quincy, Illinois	$5,875.00	
Freight	230.00	
	$6,105.00	$ 590.00
2 - SF93 Drifter Drills, 8' Feed w/hole spotter F.O.B Grand Junction @ $1,735.00/ea.	$3,470.00	350.00
1 - CD-10 Loader, 24" gauge, F.O.B. Denver	$3,425.00	350.00
2 - WBJDM Compressors, F.O.B. Quincy @ $8,055/ea	16,110.00	
Freight	790.00	1,300.00
	16,900.00	
1 - TFL-48 Air Leg Drill, F.O.B. Grand Junction	865.00	90.00
Total Rental		$ 2,680.00

Very truly yours,

JUNCTION BIT & TOOL COMPANY

LM/k

Leo Markrud, Sales

COPY

CHARLES A. WILLSEA R. T. HARRAS

...NERAL MINERALS CORP
440 MEADOWS BLDG.
DALLAS, TEXAS

Central Chevrolet Company

CHEVROLET • OLDSMOBILE • CADILLAC

Complete Service

CHapel 3-2662

235 MAIN STREET
304 NORTH AVENUE
5TH AND COLORADO
Grand Junction, Colorado

January 22, 1957

General Minerals Corporation
P. O. Box 446
Grand Junction, Colorado

Gentlemen

We are pleased to quote the following.

New 1957 Chevrolet eight cylinder three-quarter ton pickup, model 3604.

Factory list	$1806.32
Federal excise tax	147.00
Dealer's D. & H.	40.00
Freight	136.75
Heavy duty clutch	5.40
Four speed transmission	80.70
Electric windshield wipers	12.95
Side mount carrier	14.00
Foam rubber seats	14.00
Two gallons permanent antifreeze	6.50
Spare tire	51.95
Air flow heater & defrosters	79.50
V-8 engine	113.00
	$2508.07
Napco 4 wheel drive conversion	1275.00
Warn Semi automatic free wheeling hubs	75.00
	$1350.00

Prices are subject to two percent Colorado state sales tax.

Very truly yours

CENTRAL CHEVROLET COMPANY

David W. Haynes

DAVID W. HAYNES, Sales Mgr.

DWH/vl

CHARLES A. WILLSEA R. T. HARRAS

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

Central Chevrolet Company

CHEVROLET • OLDSMOBILE • CADILLAC

Complete Service

CHapel 3-2662

235 MAIN STREET
304 NORTH AVENUE
5TH AND COLORADO
Grand Junction, Colorado

January 22, 1957

General Minerals Corporation
Box 446
Grand Junction, Colorado

Gentlemen

We are pleased to quote the following.

New 1957 Chevrolet V-8 two ton truck, stake body, model 6409.

Factory list	$2761.32
Federal excise tax	227.00
Dealer's D. & H.	40.00
Freight	201.00
Two speed axle	145.30
Heavy duty brake booster	26.90
V-8 Taskmaster engine	123.75
Foam rubber seats	14.00
Heavy duty front springs	5.40
Heavy duty rear springs	16.15
Vacuum reserve tank	21.55
9.22-5 10 ply tires front-duals rear	210.60
Wide base wheels - 22.5 X 6.75	26.90
Air flow heater & defroster	79.50
2½ Gal permanent antifreeze	9.00
	$3908.37

Price is subject to two percent Colorado state sales tax.

Very truly yours

CENTRAL CHEVROLET COMPANY

David W. Haynes

DAVID W. HAYNES, Sales Mgr.

DWH/vl

COPY

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

HERTZ RENT-A-CAR
Licensee

251 Colorado Ave.
Grand Junction, Colorado

January 25, 1957

General Minerals Corp.
P. O. Box 446
Grand Junction, Colorado
c/o Jack Rigg

Dear Mr. Rigg:

Bid on unit:

3/4 Ton pickup, New V8 motor, 4-speed transmission, side tire mount, standard cab, rear bumper...12 months $125.00
18 " 115.00

3/4 Ton pickup, 4-wheel drive, International, New 1957 V8 motor, 4-speed transmission, standard cab, rear bumper.....12 months $165.00
18 months 152.50

2 Ton International stake body, New 6 cyl. motor, 5-speed transmission, two-speed rear end, standard cab.

We will furnish these units with P.L. and P.D. insurance; new tires. These units will be in first class shape and will carry factory warranties. We will pay for all ordinary wear and tear. You will pay for gas, oil, storage, and any damage to said units in neglect.

These units will be returned in the same condition as they were received except for ordinary wear and tear.

We will furnish these units with state plates and taxes paid.

Hertz Rent-A-Car Licensee

/s/ Ernest I. Mazer, Mgr.

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

COPY

RICHARDSON OFFICE SUPPLY CO.

Grand Junction, Colo.

January 22, 1957

General Minerals Corporation
Petroleum Building
Grand Junction, Colorado

Gentlemen:

We are pleased to quote you the following monthly rental rates on the following pieces of office equipment:

STW-10 Friden Calculator - $45.00 per month

11" Standard Typewriter - 6.00 per month

We hope that the above will be of interest to you and that we may have the pleasure of renting you this equipment.

Sincerely yours,

RICHARDSON OFFICE SUPPLY CO.

/s/ Don Carrington, Sales Dept.

7. (b) General Minerals Corporation proposes to furnish monies sufficient to cover one half (½) of the total estimated costs of Item 6, namely, $143,247. A certified copy of the Balance Sheet as of November 30, 1956, is attached.

Trained and experienced personnel are available, as shown under Item 5d, to fully plan and complete all phases of the exploration program and to operate the program in a businesslike manner.

References as to the business acumen of General Minerals Corporation may be determined from the attached statements from the First National Bank, Hillrose State Bank, and Republic National Bank, Dallas, Texas. It is suggested that the Defense Minerals Exploration Administration request that Dun & Bradstreet, 816 Acoma St., Denver, Colorado, furnish a credit evaluation. As a subscriber General Minerals Corporation cannot receive a direct report on its own activities from this agency.

During the exploration program an account will be carried to cover costs of the proposed project large enough to facilitate the time element in approval of work completed under DMEA participation.

COPY

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

WESTERN MACHINERY COMPANY
2400 W. 7th Avenue
Denver 4, Colorado

P. O. Box 1498
Grand Junction, Colorado
January 16, 1957

General Minerals Corporation
1129 Petroleum Building
Grand Junction, Colorado

Attention: Jack Rigg

Dear Jack:

In accordance with our telephone conversation of yesterday, we can supply you with rental equipment on a nine months guaranteed rental to be used near Summitville on a DMEA project provided suitable credit references can be furnished so that we can finance this through our San Francisco banks.

We would propose furnishing you all new equipment and believe that this would be very desirable as your location is quite isolated and delays due to breakdowns would be very costly.

The equipment which we propose to furnish is as follows:

One Thor two-drill Model DB200 jumbo mounted on a carriage having 24" gauge wheels for track mounting and complete with two Thor 92 drifters mounted on an RF 120 aluminum guide shell mounting which will give a total feed of 120 inches. Rental rate, $932.00 per month.

One Eimco Model 12B 24" gauge Mucking Machine. Rental rate, $372.00 per month.

One Thor Model 390 Rock Drill mounted on telescopic leg having six foot feed, rantal rate $93.00 per month.

One General Electric 3-ton 24" gauge locomotive complete with 238 amp. 22 kilowatt-hour battery and automatic battery charging equipment. Rental rate $1187.00 per month.

One General Electric 1½ ton battery locomotive complete with battery and automatic rectifier charging equipment. Rental rate, $745.00 per month.

10 C. S. Card RD28 24" gauge rocker dump ore cars suitable for train haulage. Rental rate, $465.00 per month.

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

WESTERN MACHINERY COMPANY

Four Jaeger 315 cu. ft. per minute actual air delivery air cooled compressors powered with 75 H.P. General Electric 440 volt, 3 phase, 60 cycle, motor complete with Vee belt drive and air receiver. Rental rate, $2430.00 per month.

As an alternate to the above we can supply a Pennsylvania Class DCE-2 two stage duplex direct connected synchronous motor driven air compressor at the same rental rate. However, this will require foundations and 25 gallon per minute cooling water and will give an actual free air delivery of 1000 cu. ft. per minute at 10,000 feet altitude.

We can arrange for rental of any other type of equipment which you may require and will be glad to furnish quotations to you.

Very truly yours,

/s/ A. George Setter

AGS:ow

6. (Cont'd) **SUMMARY**

(a)	Independent contracts	$ 40,343.00
(b)	Labor, supervision, consultants	122,055.00
(c)	Operating materials and supplies	58,316.00
(d)	Operating equipment	43,255.00
(e)	Rehabilitation and repairs-Does not apply	
(f)	New buildings, improvements, installation-Does not apply	
(g)	Miscellaneous	22,812.00
(h)	Contingencies-Does not apply	
		$ 286,781.00

6. Detailed Explanation

a. Contract drilling estimates are on footages per attached sheets and letters of bid proposals from contractors listed.

Attachments:
1. Total footage per cost category
2. Bid summary
3. Bid from Minerals Engineering Co.
4. Bid from Sprague & Henwood, Inc.
5. Bid from Cannon Diamond Drilling Co.

b. Labor, although hourly in nature, is listed as a monthly amount. Basis of computation is as follows:

Example: Miners @ 1.95/hr
Regular Time - 8 hr x 20.5 shifts = 164 hr x 1.95 = 320
Overtime - 8 hr x 4 shifts = 32 hr x 2.93 = 94
414

10% extra days 41
Total wage 455

c. Material and supplies are calculated from previous costs at Summitville, from costs as calculated by other mining companies in comparable locations and from costs submitted by suppliers on various items.

d. Operating equipment- Part of the operating equipment listed is owned by General Minerals and is available at Summitville for immediate use. Other items will be bought as needed and some of the equipment will be rented. Rentals are according to Associated Equipment Distributors, Inc. rental rates per attached proposals. Depreciation is on a five year basis of total cost per attached proposals.

e. Rehabilitation and Repairs - During the Summer of 1956, General Minerals undertook a rehabilitation program on buildings at Summitville, bringing them up to quality and size to handle the proposed exploration program. No further work is anticipated.

f. New buildings, improvements, installation. As stated in 6c above, no further work on permanent installations is proposed.

g. Miscellaneous - All items listed are at rates indicated by previous purchasing. The following shows that the proposed project is to cover only one-half costs of insurance.

Insurance on Project Equipment and Supplies:

6c - Materials & Supplies-on hand		$12,000
d - Operating Equipment		
650 c.f.m. compressor @ 20,000 x 2=	$40,000	

		$ 12,000
2 T Trammer	$10,870	
1½ T Trammer @ 6,000 x 2	12,000	
Mucking Machine @ 3750 x 2	7,500	
Mine Cars @ 510 x 10	5,100	
Drifter Drilling Leg	895	
2 Drill Jumbo	9,525	
Bulldozer w/blade	23,283	
3/4 T Pickup	2,508	
3/4 T Pickup	3,858	
2 T Truck	3,908	
Calculator	450	
Typewriter	125	
	$120,022	$120,022

e - Rehabilitation - Does not apply

f - New buildings, improvements, installation

Boarding House	20,000	
Shop	6,500	
Compressor Building	5,000	
	$ 31,500	31,500
Total		$163,522

Rocky Mountain Inspection Bureau
rates 2.37/100

Insurance Costs $ 3,875

g - Amount, proposed payment $ 1,938

h. Contingencies - No estimation of the costs that may arise above the detailed exploration costs have been indicated. However, it is worthy to note the following items now being facilitated at Summitville:

1. Standby compressor
2. Standby power plant
3. Repairs, maintenance and upkeep of buildings
4. Bedding facilities for employee and contract personnel
5. Mess hall equipment, i.e., stoves, refrigerators, dishes, etc.
6. Office equipment, filing facilities and drafting tables
7. Rubber gloves and boots, hard hats, and items for resale to employees
8. Water, domestic and mine
9. Machinery parts and supplies already in inventory.

Also, no advance in cost of wages, equipment or supplies has been considered.

6. a

GENERAL MINERALS CORP.
MEADOWS BLDG.
DALLAS, TEXAS

TOTAL FOOTAGE PER HOLE EACH COST CATEGORY

Location	Non-Core A 0-200'	Non-Core B 200-400'	Non-Core C 400-600'	Non-Core D 600-800'	Core E 0-200'	Core F 200-400'	Core G 400-600'	Core H 600-800'	Total Depth	Drift	Drift Rehabilitation
Station A										-0-	280.0
AT-1	200.0	76.0				118.0			394.0		
AT-2	200.0	72.0				112.0			384.0		
Station B										230.0	235.0
AT-3	200.0	117.0				83.0	17.0		417.0		
AT-4	200.0	84.0				116.0	23.0		423.0		
Station C										145.0	185.0
AT-5	200.0	12.0				170.0			382.0		
AT-6	197.0				3.0	200.0			400.0		
Station D										230.0	-0-
AT-7	200.0	200.0	200.0	69.0				131.0	800.0		
Station E										-0-	
HV-1	171.0				29.0				200.0		
HV-2	171.0				29.0				200.0		
HV-3	171.0				29.0				200.0		
Station F										180.0	390.0
T-1	200.0	41.0				59.0			300.0		
T-2	200.0	41.0				59.0			300.0		
T-3	200.0	41.0				59.0			300.0		
T-4	200.0	41.0				59.0			300.0		
	2710.0	725.0	200.0	69.0	90.0	1035.0	40.0	131.0	5000.0	775.0	1140.0

6. a

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

DIAMOND DRILLING PROGRAM
Summitville, Colorado

B. **Bid Summary**

	Minerals Engineering Co., Grand Junction, Colorado		Sprague & Henwood Drilling Co., Grand Junction, Colorado		Cannon Diamond Drilling Co., Grand Junction, Colo	
Plug 0-200'	Bid	Total	Bid	Total	Bid	Total
Item A 2710.0' 200-400'	7.50	20,325.00	6.00	16,260.00	9.00	24,390.00
B 725.0' 400-600'	8.75	6,343.75	7.00	5,075.00	10.00	7,250.00
C 200.0' 600-800'	10.75	2,150.00	8.50	1,700.00	11.00	2,200.00
D 69.0'	13.00	897.00	10.00	690.00	12.00	828.00
Core 0-200'						
Item E 90.0' 200-400'	9.50	855.00	11.00	990.00	12.00	1,080.00
F 1035.0' 400-600'	11.75	12,161.25	12.00	12,420.00	14.00	14,490.00
G 40.0' 600-800'	14.50	580.00	15.00	600.00	16.00	640.00
H 131.0'	18.75	2,456.25	18.00	2,358.00	18.00	2,358.00
Standby 25 hrs. (est.)	15.00 hr	375.00	10.00 hr 7.50'	250.00	15.00	375.00
Reaming	20.00 hr	-	12.00'	-	3/4 drill price	-
Cement	15.00 hr	-	14.00 hr	-	15.00	-
Total 5000'	46,143.25		40,843.00		53,611.00	
Average plug for 3704.0'	29,715.75 8.03		23,725.00 6.41		39,668.00 10.71	
Average core for 1296.0'	16,427.70 12.68		17,618.00 13.59		13,943.00 10.80	
Average per total contract	9.23		8.07		10.72	

Apparent low bidder: Sprague & Henwood

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

MINERALS ENGINEERING COMPANY
P. O. Box 1951
Grand Junction, Colorado

December 18, 1956

Mr. Jack Rigg
General Minerals Corporation
P. O. Box 446
Grand Junction, Colorado

Dear Jack:

In response to your telephone call of December 17, please accept the following quotations as our bid for a D.M.E.A. loan on your Summitville property, Rio Grande County, Colorado, for a minimum of 5,000 total feet of drilling to a maximum depth of 1,000 feet per hole. This is to be angle hole underground drilling.

Depth	Price per Foot Non Core	AX Core
0-200 feet	$ 7.50	$ 9.50
200-400 feet	8.75	11.75
400-600 feet	10.75	14.50
600-800 feet	13.00	18.75
800-1000 feet	15.75	24.50

Standby time will be charged at the rate of $15.00 per hour and reaming at the rate of $20.00 per hour to accommodate AX casing.

You are to furnish air and water to the drill and cut stations for 10-foot pulls.

It is my understanding that there will be only one hole to 1,000 feet in depth with a minimum of 250 feet of core. The balance of the nine holes will be to a maximum depth of 450 feet per hole with a minimum of 100 feet of core per hole.

Very truly yours,

MINERALS ENGINEERING COMPANY

/s/ Edson Foster
Assistant Drill Superintendent

C
O
P
Y

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

SPRAGUE & HENWOOD, INC.

Contractors for Diamond Drilling

Please reply to
P. O. Box 645
Grand Junction, Colo.

December 27, 1956

General Minerals Corporation
P. O. Box 446
Grand Junction, Colorado

Attn: John B. Rigg
Drill Supt.

Gentlemen:

In response to your request we herewith submit our proposal for drilling from underground stations on your property in Summitville, Rio Grande County, Colorado.

PROPOSAL:

Non-Core Drilling

From	0 to 200 ft. depth.	$ 6.00 per ft.
	200 to 400 ft. depth.	7.00 per ft.
	400 to 600 ft. depth.	8.50 per ft.
	600 to 800 ft. depth.	10.00 per ft.

Core Drilling recovering AX (1 1/8") size cores

From	0 to 200 ft. depth.	$11.00 per ft.
	200 to 400 ft. depth.	12.00 per ft.
	400 to 600 ft. depth.	15.00 per ft.
	600 to 800 ft. depth.	18.00 per ft.
	800 to1000 ft. depth.	22.00 per ft.

Reaming - For all reaming and placing casing

From	0 to 500 ft. depth.	$ 7.50 per ft.
	500 to1000 ft. depth.	12.00 per ft.

Cementing: Mixing, placing and drilling out cement. . . . . $14.00 per hour

Standby Time: For any delays required by customer . . . . . $10.00 per hour

GENERAL MINERALS CORP
440 MEADOWS BLDG.
DALLAS, TEXAS

This proposal is subject to the following provisions:

1. All underground drill stations will be suitable for the use of 10 foot drill rods and core barrels.

2. Any timbering required for underground drill stations will be provided and installed by General Minerals at no cost to contractor.

3. All underground drill stations shall be made safe for contractor personnel.

4. Air and water of sufficient volume and pressure for drilling purposes will be provided within 50 feet of any drill hole location by General Minerals Corporation.

5. Assistance and necessary equipment for transporting contractor's equipment from surface to underground locations will be provided by General Minerals Corporation.

6. Accommodations and board are available at the property for contractor personnel at a charge of $3.00 per day per man.

7. Core will be delivered at drill hole locations and storage and preservation of cores is the responsibility of General Minerals Corporation.

8. Any cement required for drill holes will be provided by General Minerals Corporation.

We thank you for the opportunity of submitting this proposal.

Very truly yours,

SPRAGUE & HENWOOD, INC.

/s/ R. R. Carver
Western Manager

RRC:jmt

COPY

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

CANNON DIAMOND DRILLING CO.
Compton, Calif.-Grand Junction

December 31, 1956

Compton, Calif.
P. O. Box 549
Tel. Ne. 1-9341

Grand Junction, Colo.
P. O. Box 712
Tel. CH 2-8521

General Minerals Corp.
Box 446
Grand Junction, Colorado

Attention: Jack Rigg

Subject: Proposed underground diamond drilling at Summitville, Colorado, Rio Grande County.

Dear Sir:

We understand you have a minimum of 5,000 feet of AX drilling with approximately 75% plug drilling and 25% core drilling.

We would undertake to do this drilling at the following prices:

Plug Drilling		
0-200	$ 9.00	per ft.
200-400	10.00	" "
400-600	11.00	" "
600-800	12.00	" "
AX Core Drilling		
0-200	$12.00	per ft.
200-400	14.00	" "
400-600	16.00	" "
600-800	18.00	" "

Reaming to be charged for at 75% of the coring price for the same depth. Air, water, and drill stations to be provided by you.

Thank you very much for your inquiry.

Yours truly,

Cannon Diamond Drilling Co.

/s/ Jack B. Bailey, Supt.

JBB/bb

GENERAL MINERALS CORPORATION
COMPARATIVE BALANCE SHEET
NOVEMBER 30, 1956

ASSETS

	November, 1956	October, 1956
CURRENT ASSETS		
Cash	$2,056,743.51	$2,102,530.50
Notes Receivable	100,500.00	96,315.55
Accounts Receivable	47,558.58	46,775.05
Accounts Receivable - Employee Advances	2,489.78	2,739.78
Total Current Assets:	$2,207,291.87	$2,248,360.88
INVESTMENTS		
Minerals Refining Co. (7.04%)	$ 27,000.00	$ 27,000.00
Minera Mexicana, S. A.	61,315.54	56,096.90
Total Investments:	$ 88,315.54	$ 83,096.90
FIXED ASSETS		
Prospecting Permits	$ 9,572.20	$ 9,572.20
Mining Properties - Non Producing	663,457.78	663,457.78
Mining Properties - Royalties	22,893.51	22,893.51
Equipment - Oil Properties	83,957.61	83,849.33
Leasehold Costs - Oil Properties	1,726,794.34	1,726,227.10
Automobiles	32,218.90	32,218.90
Trucks, Trailers, Tractors	18,429.31	20,224.31
Airplanes	60,426.56	54,563.22
Drilling Tools	32,780.02	32,780.02
Mining Equipment	32,447.05	29,442.13
Exploration Equipment - Electronic	88,995.99	89,399.41
Office Furniture & Fixtures	36,254.35	38,616.55
	$2,808,227.62	$2,803,244.46
Less: Reserve for Depreciation & Depletion	252,696.54	243.832.13
Total Fixed Assets:	$2,555,531.08	$2,559,412.33
DEFERRED CHARGES		
Organization Expense	$ 8,383.88	$ 8,578.85
Prepaid Insurance	5,020.76	5,198.29
Prepaid Rentals	300.00	300.00
Prepaid Taxes	4,049.14	4,858.97
Special Deposits	1,815.00	1,815.00
Exploration Costs	90,094.91	74,839.99
Total Deferred Charges:	$ 109,663.69	$ 95,591.10
TOTAL ASSETS	$4,960,802.18	$4,986,461.21

LIABILITIES AND CAPITAL

	November, 1956	October, 1956
CURRENT LIABILITIES		
Accounts Payable	$ 10,491.68	$ 14,515.05
Accrued Payroll & Taxes Payable	1,262.26	810.12
Federal Withholding Taxes Payable	2,230.40	2,100.40
Accrued Ad Valorem Taxes Payable	1,598.97	1,454.66
Total Current Liabilities:	$ 15,583.31	$ 18,880.23
CAPITAL		
Common Stock - $1.00 Par Value - Authorized	$5,000,000.00	$5,000,000.00
Common Stock - $1.00 Par Value - Unissued	998,120.00	998,120.00
Common Stock - Issued & Outstanding:	$4,001,880.00	$4,001,880.00
SURPLUS		
Capital Surplus - Paid In	$1,461,184.61	$1,461,184.61
Earned Surplus - (Deficit)	517,845.74	495,483.63
Total Surplus:	$ 943,338.87	$ 965,700.98
TOTAL LIABILITIES & CAPITAL	$4,960,802.18	$4,986,461.21

CORRECT:

J. A. Barnett
Asst. Secretary-Treasurer

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

HILLCREST STATE BANK

OF UNIVERSITY PARK

6517 HILLCREST AT DANIELS • DALLAS

January 18, 1957

General Minerals Corporation
Meadows Building
Dallas, Texas

Attention: S.Y. Guthrie, III, Vice President

TO WHOM IT MAY CONCERN:

This letter is written in regard to and on the behalf of the General Minerals Corporation, which Company maintains a very satisfactory account with the Hillcrest State Bank in the six figure bracket.

The principals in the company are well known to the bank and are highly regarded as to morals, character and business ability. Although credit has never been requested, we would be glad to entertain such consideration.

It is a pleasure to express our appreciation for our pleasant and satisfactory banking relations with this company.

Please refer to our bank if further information is desired.

Yours very truly,

Tom J. Harelin

Assistant Cashier

TJH/et

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

REPUBLIC NATIONAL BANK OF DALLAS
DALLAS, TEXAS

January 18, 1957

CONFIDENTIAL

Any communication from this Bank or any of its officers as to the responsibility or standing of any person, firm or corporation, or as to the value of any property or securities, is a matter of opinion or information, and must be received as such without prejudice, and with the distinct understanding that no liability or responsibility is attached to them or this Bank in any event.

This letter is not to be reproduced, or used in any advertisement or in any way for purposes of promotion.

Mr. S. Y. Guthrie, III
Vice President
General Minerals Corporation
Meadows Building
5646 Milton Avenue
Dallas 6, Texas

Dear Mr. Guthrie:

We are pleased to write the following letter at your request summarizing the valued relationship which your corporation has maintained with our bank since July, 1955.

General Minerals Corporation has consistently maintained cash balances in our Checking Division of good proportions, and we note the average during recent months has ranged in low six figures. Special time deposits are also carried with us which are currently for a low seven figure amount.

No request has been made of us for the use of our loan facilities.

The principals in the corporation are well and favorably known to us, and it is our opinion that they represent responsibility and ability. Our dealings have always been entirely satisfactory.

Very truly yours,

James R. Madden
Assistant Cashier

JRM:ee

C O P Y

First National Bank in Dallas
DALLAS, TEXAS

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

January 18, 1957

General Minerals Corporation
Meadows Building
Dallas, Texas

Gentlemen: ATTENTION Mr. James A. Barnett, Asst. Secy.-Treas.

You have advised us that you are applying for a Federal Government loan under the terms and provisions of the Defense Minerals Exploration Act, and that in connection with this act your application will be supported by letters of commendation and recommendation from your banks of deposit.

First National Bank in Dallas is privileged to be one of your banks, a relationship which we value highly.

In reviewing the history of your company, it may be noted that your founding Directors and Officers were each and all men recognized in their own particular fields as being able, successful and of a high degree of integrity and general business reputation. Your Board Chairman is Mr. A. H. Meadows, also Chairman of Executive Committee of General American Oil Company of Texas, officing in Dallas, one of our larger independent oil producing firms.

Your President, Mr. S. Y. Guthrie, is one of the principals of Dallas Air Conditioning Company, an old established mechanical contracting firm. Mr. T. A. Knight, your Vice-President, has been one of the leading civil attorneys of this city for many years specializing in oil and gas law. Your Director, Mr. Robert B. Gilmore, is one of the chief executive officers of DeGolyer and Mac Naughton, Inc., an outstanding petroleum engineering and valuation firm. Your Director, Mr. Gordon Simpson, is active President of General American Oil Company of Texas, previously referred to. Mr. Simpson has been an outstanding attorney and jurist in our state for many years.

Mr. H. Niel Mallon, of your Directorate, is the chief executive officer of Dresser Industries of Dallas who operate internationally in their

diverse fields chiefly relating to the oil and gas industry. Mr. M. E. Wilson, a Director, is Board Chairman of General American Oil Company of Texas.

These gentlemen, with Mr. P. H. Feeney, of Pierre, South Dakota, constitute your Directorate.

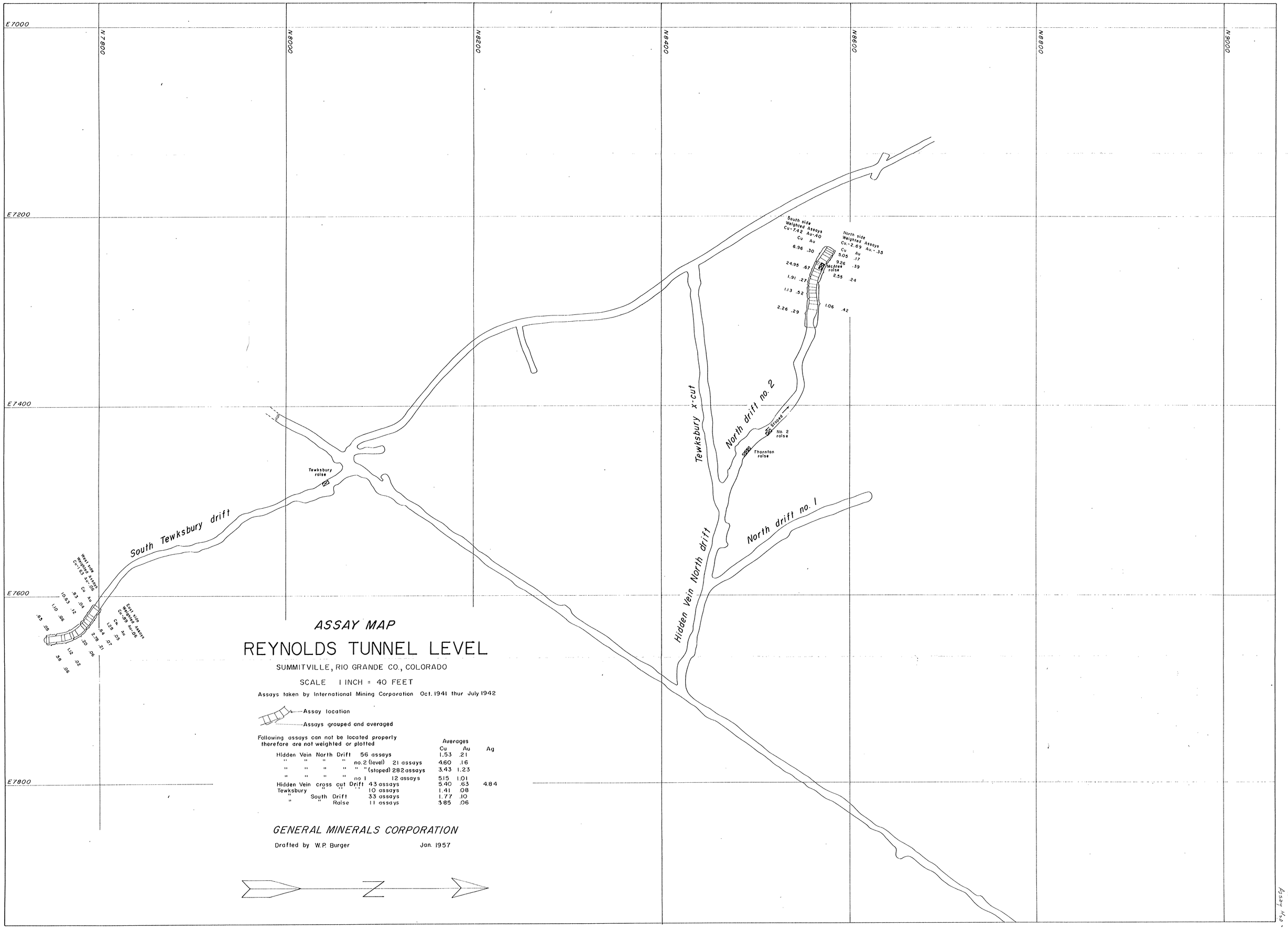
The affairs of your company are in the hands of your officers which are those named, and Mr. S. Y. Guthrie, III, Vice-President, Mr. F. H. Connally, Secretary and Treasurer, and Mr. James A. Barnett, Assistant Secretary-Treasurer.

The high caliber of your entire official staff and your Board is in itself a fine recommendation for the presentation of your case with the government body under the Defense Minerals Exploration Act, and it is our pleasure to commend your organization to the particular governmental agency for its most favorable consideration.

Yours truly,

Rodney D. Hargrove
Vice-President

RDH:MHL



ASSAY MAP

REYNOLDS TUNNEL LEVEL

SUMMITVILLE, RIO GRANDE CO., COLORADO

SCALE 1 INCH = 40 FEET

Assays taken by International Mining Corporation Oct. 1941 thur July 1942

Assay location

Assays grouped and averaged

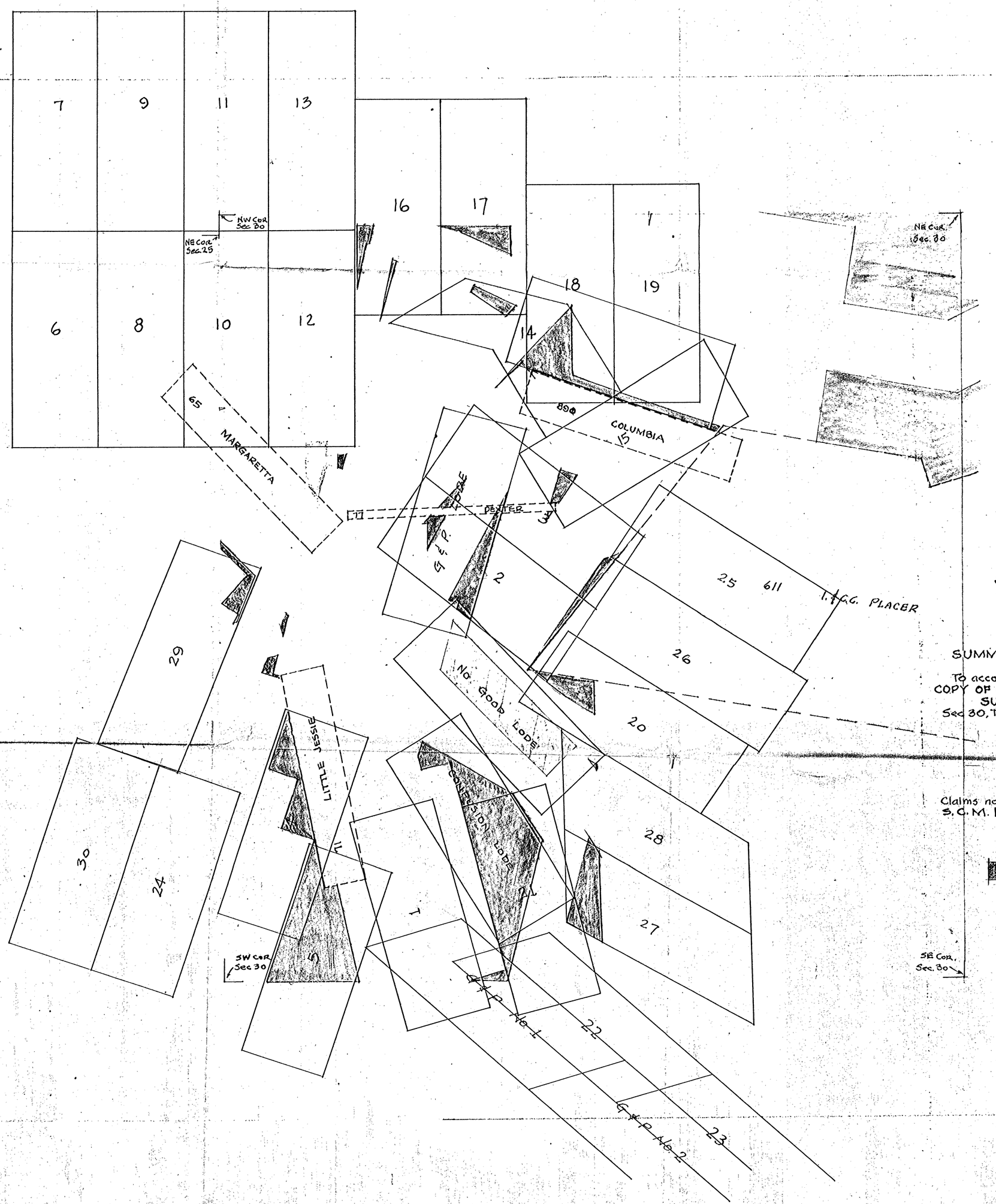
Following assays can not be located properly therefore are not weighted or plotted

		Averages Cu	Averages Au	Ag
Hidden Vein North Drift	56 assays	1.53	.21	
" " " " no. 2 (level)	21 assays	4.60	.16	
" " " " " " (stoped)	282 assays	3.43	1.23	
" " " " no 1	12 assays	5.15	1.01	
Hidden Vein cross cut Drift	43 assays	5.40	.63	4.84
Tewksbury " " "	10 assays	1.41	.08	
" South Drift	33 assays	1.77	.10	
" " Raise	11 assays	3.85	.06	

GENERAL MINERALS CORPORATION

Drafted by W.P. Burger Jan. 1957

Assay Map - Reynolds
INTERNATIONAL MINERALS CORP.
1400 MERCANTILE BLDG.
DALLAS, TEXAS



N

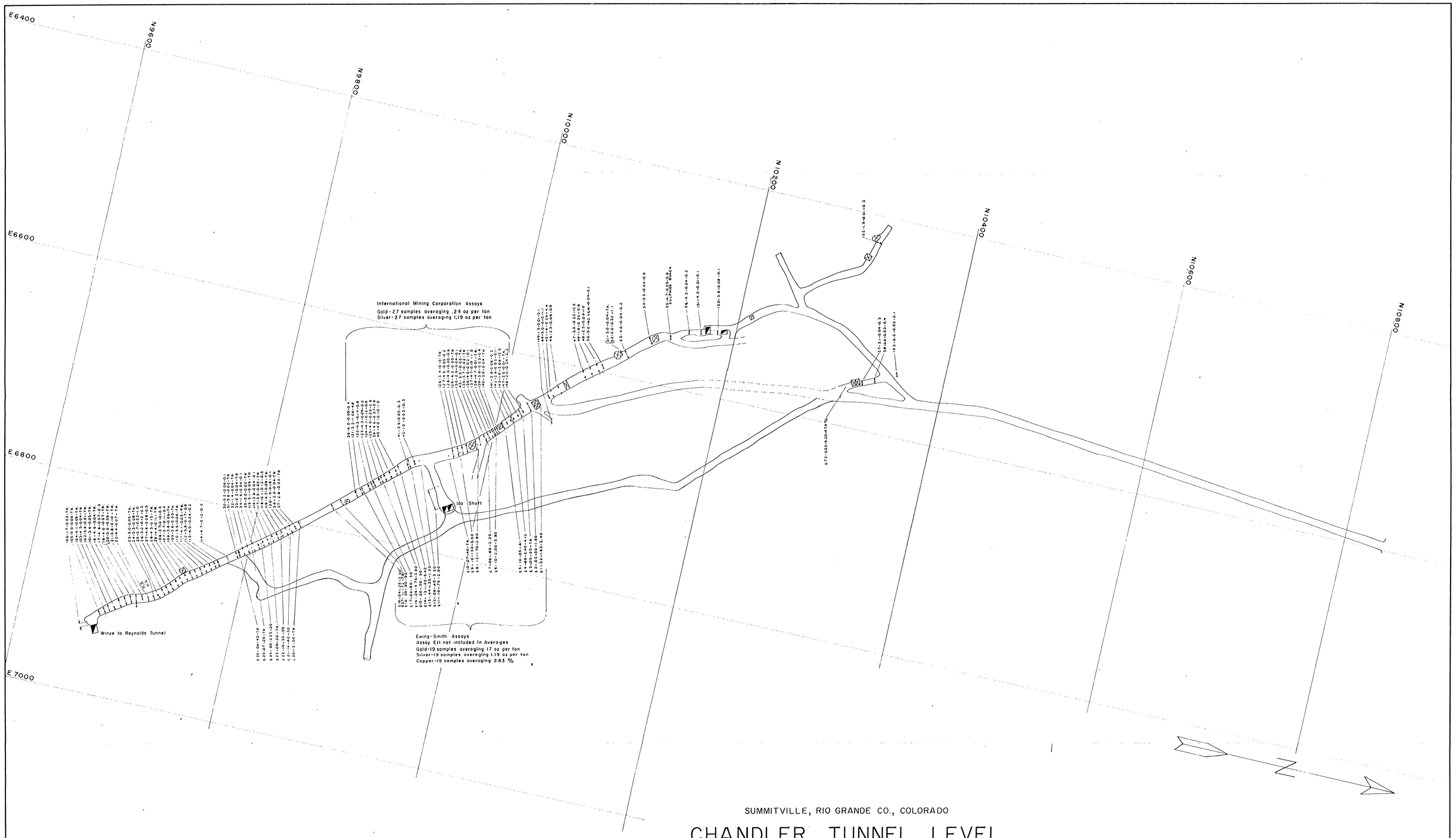
SCALE: 1 INCH = 400 FT.

SUMMITVILLE UNPATENTED CLAIMS
OVERLAY
To accompany Claim Map entitled:
COPY OF GENERAL LAND OFFICE MAP OF
SUMMITVILLE AREA
Sec 30, Twp. 37 N., Rng 4 E., N.M.P.M.

Claims noted by numbers indicate that numbered S.C.M.I. Claim.

Critical Unpatented Areas
(from U.S. Gen'l Land Office Map)

GENERAL MINERALS CORP.
501 MEADOWS BLDG.
DALLAS, TEXAS
Unpatented Claims



SUMMITVILLE, RIO GRANDE CO., COLORADO

CHANDLER TUNNEL LEVEL

SCALE 1 INCH = 40 FEET

Mine Workings - George H. Garrey - 1930
Assays - Ewing-Smith - 1899
International Mining Corp - 1931
George H. Garrey - 1930

LEGEND

Ewing-Smith assays has a prefix of E
E11 - 1.0 - .75 - 2.00
No. - Au. - Ag. - Cu.

International assays with no prefix
41 - 3.9 - .05 - 0.3
No. - Width - Au. - Ag.

Garrey, George H. assay has a prefix of G
G72:32 - 9.20 - 47.8 %
No. - Au. - Ag. - Cu.

GENERAL MINERALS CORPORATION

Drafted by W.P. Burger Dec. 1956

GENERAL MINERALS CORP.
GEO. MATSON & SONS
SALINAS, CALIF.

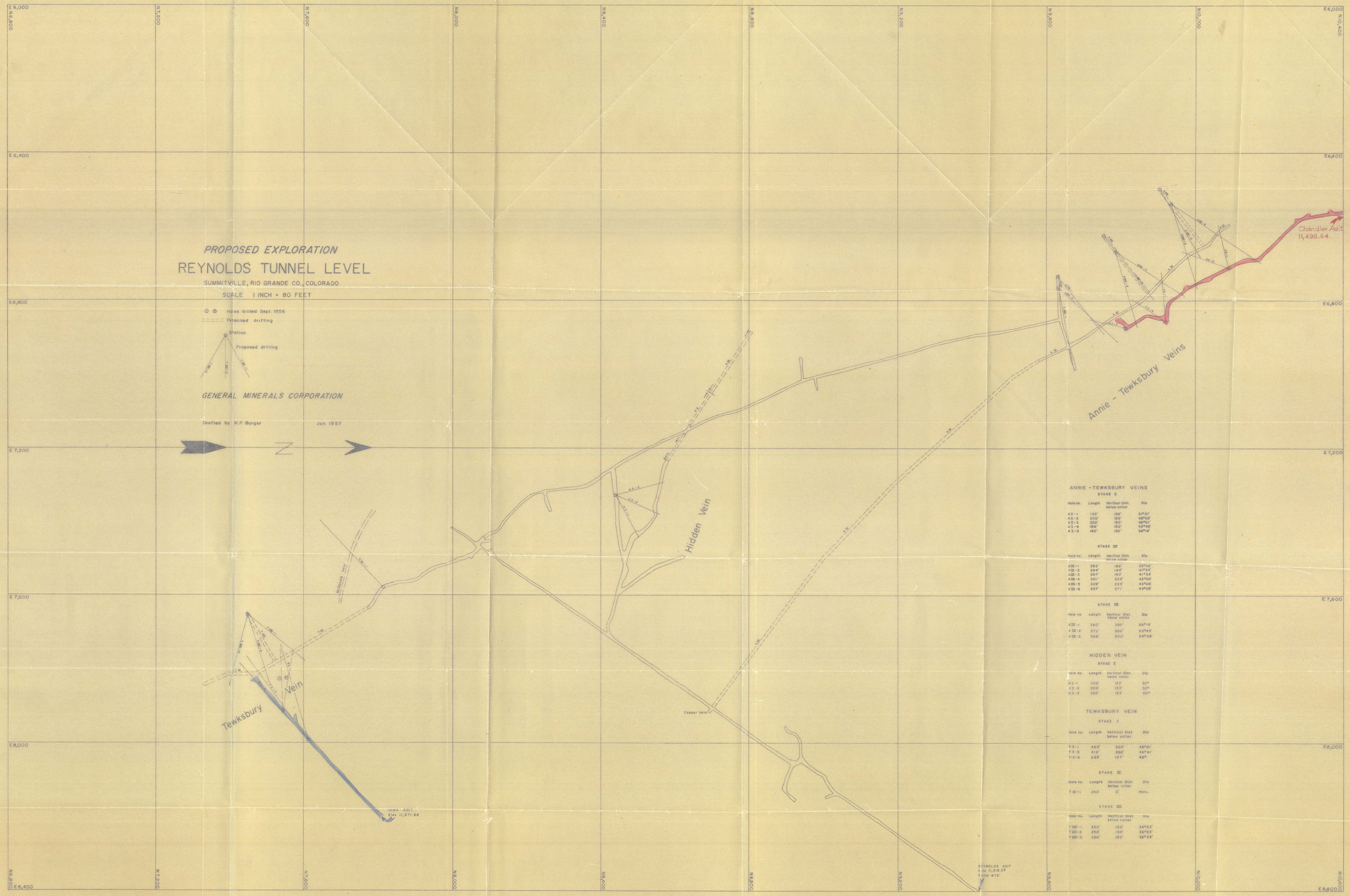
GENERAL MINERALS CORP.
340 MEADOWS BLDG.
DALLAS, TEXAS

	New Tunneling 2935', 6' x 7' heading @ 6.5' shift= 13' day= 226 days = 9 months			Contract Drilling Supervision equipment, supplies, overhead 9 months			Tunnel Rehabilitation 1140' @ 12' shift=24' day = 48 days = 1.9 months			Drill Stations=13' x 6 stations= 78', 4' shift = 20 shifts .8 months			Contract Drilling Supervision Equipment, Supplies, Overhead 3 months			Total 9 mos.	Total 12 mos.
b. Labor																	
Manager @ 1200/mo	9 x 1200 x .75	Time	8,100	9 x 1200 x .10	Time	1,080	1.9 x 1200 x .50	Time	1,140	.8 x 1200 x .50	Time	480	3 x 1200 x .50	Time	1,800	10,800	12,600
Superintendent @ 750/mo	9 x 750 x .75	Time	5,063	9 x 750 x .10	Time	675	1.9 x 750 x .50	Time	712	.8 x 750 x .50	Time	300			-	6,750	6,750
Geologist @ 700/mo	9 x 700 x .67	Time	4,221	9 x 700 x .33	Time	2,079			-			-	3 x 700		2,100	6,300	8,400
Draftsman @ 450/mo ½ Time=225/mo	9 x 225 x .50	Time	1,012	9 x 225 x .35	Time	709	1.9 x 225 x .50	Time	214	.8 x 225 x .50	Time	90	3 x 225		675	2,025	2,700
Night Shift Boss @ 600/mo	9 x 600		5,400			-			-			--			-	5,400	5,400
Equipment Foreman @ 580/mo	9 x 580 x .75	Time	3,915	9 x 580 x .17	Time	913	1.9 x 580 x .25	Time	276	.8 x 580 x .25	Time	116	3 x 580 x .25	Time	435	5,220	5,655
Accountant @ 450/mo	9 x 450 x .86	Time	3,523	9 x 450 x .10	Time	405	1.9 x 450 x .10	Time	86	.8 x 450 x .10	Time	36	3 x 450 x .50	Time	675	4,050	4,725
Mechanic @ 250/hr = 570/mo	9 x 570		5,130			-			-			-			-	5,130	5,130
Miners @ 1.95/hr or 455/mo	9 x 455 x 8	Men	32,760	9 x 455 x 1	Man	4,095	1.9 x 455 x 2	Men	1,729	.8 x 455 x 2	Men	728	3 x 455 x 1	Man	1,365	39,312	40,677
Motorman @ 1.95/hr or 455/mo	9 x 455 x 2	Men	3,190	9 x 455 x .73	Time	3,174	1.9 x 455 x .75	Time	648	.8 x 455 x .75	Time	273	3 x 455 x 1	Man	1,365	12,285	13,650
Truck Driver @ 1.95/hr or 455/mo	9 x 455 x 1	Man	4,095			-			-			-	3 x 455 x .25	Time	341	4,095	4,436
Dozer Operator @ 2.10/hr or 480/mo	9 x 480 x .75	Time	3,240	9 x 480 x .10	Time	432	1.9 x 480 x .50	Time	456	.8 x 480 x .50	Time	192	3 x 480 x .50	Time	720	4,320	5,040
Cook @ 260/mo	9 x 260 x .75	Time	1,755	9 x 260 x .19	Time	444	1.9 x 260 x .20	Time	99	.8 x 260 x .20	Time	42	3 x 260 x .50	Time	390	2,340	2,730
Helper @ 225/mo	9 x 225 x .75	Time	1,519	9 x 225 x .19	Time	384	1.9 x 225 x .20	Time	86	.8 x 225 x .20	Time	36	3 x 225 x .50	Time	337	2,025	2,362
Dishwasher @ 200/mo	9 x 200 x .75	Time	1,350	9 x 200 x .19	Time	342	1.9 x 200 x .20	Time	76	.8 x 200 x .20	Time	32			-	1,800	1,800
Total			89,273			14,732			5,522			2,325			10,203	111,852	122,055
c. Operating Materials & Supplies																	
20# Rail @ $200/T=$1.33 drift ft.	2935' x 1.33		3,904			-	1140' x 1.33		1,516	78' x 1.33		104			-	5,524	5,524
Ties @ 71/MBF = .22 " "	2935' x .22		646			-	1140' x .22		251	78' x .22		17			-	914	914
Powder, cap & fuses @ 4.75 " "	2935' x 4.75		13,941			-			-	78' x 4.75		371			-	14,312	14,312
4" Airline w/couplings @ 1.05 drift ft.	2935' x 1.05		3,082			-	1140' x 1.05		1,197			-			-	4,279	4,279
2" Airline w/couplings @ .65 " "			-	600' x .65		390			-	78' x .65		51			-	441	441
Timber @ .25 of total drift @ 5.75 drift ft.	2935' x 5.75 x .25 Drift		4,219			-	1140' x 5.75 x .25 drift		1,639	78' x 5.75 x .25 drift		112			-	5,970	5,970
Drill Steel & Bits @ 2.70 drift ft.	2935' x 2.70		7,924			-			-	78' x 2.70		211			-	8,135	8,135
Fishplates, spikes & bolts @ .21 drift ft.	2935' x .21		616			-	1140' x .21		239	78' x .21		16			-	871	871
Shovels, picks, axes, hand tools @ .20 drift ft.	2935' x .20		587	1 x .20 x 500'		100	1140' x .20		228	78' x .20		16			-	931	931
Electric Lamps @ 25.00 per man	25 x 25	Men	625	25 x 5	Men	125			-			-			-	750	750
Electric power @ 500/mo	9 x 500 x .75	Time	3,375	9 x 500 x .10	Time	450	1.9 x 500 x .50	Time	475	.8 x 500 x .50	Time	200	3 x 500 x .50	Time	750	4,500	5,250
Rubber pants and jackets @ 17.00/man	17 x 25	Men	425	17 x 5	Men	85			-			-			-		
Gasoline @ 1,000 gal/mo @ .36 = 300/mo	9 x 300 x .75	Time	2,025	9 x 300 x .18	Time	473			-			-			-	510	510
Diesel @ 100 hr/mo x 4 gal x .20 = 80/mo	9 x 80 x .75	Time	540	9 x 80 x .10	Time	72	1.9 x 300 x .25	Time	142	.8 x 300 x .25	Time	60	3 x 300 x .50	Time	750	2,700	3,450
Propane @ 200 gal/mo @ .20= 40/mo	9 x 40 x .75	Time	270	9 x 40 x .16	Time	59	1.9 x 80 x .50	Time	76	.8 x 80 x .50	Time	32	3 x 80 x .50	Time	120	720	840
Tires @ 3 vehicles x 5.00/mo = 15/mo	9 x 15 x .75	Time	101	9 x 15 x .18	Time	24	1.9 x 40 x .25	Time	19	.8 x 40 x .25	Time	12	3 x 40 x .50	Time	60	360	420
Vehicle maintenance @ 3 vehicles x 20/mo= 60/mo	9 x 60 x .75	Time	405	9 x 60 x .18	Time	95	1.9 x 15 x .25	Time	7	.8 x 15 x .25	Time	3	3 x 15 x .50	Time	22	135	157
Mining machinery maintenance @ .71 drift ft.	2935' x .71		2,084			-	1.9 x 60 x .25	Time	28	.8 x 60 x .25	Time	12	3 x 60 x .50	Time	90	540	630
Compressor Maintenance @ 10% of 338#33/mo	9 x 33 x 2 x .83	Time	491	9 x 33 x .20		59			-	78' x .71		55			-	2,139	2,139
Bulldozer maintenance @ 2.00/hr x 100 hr=200/mo	9 x 200 x .75	Time	1,350	9 x 200 x .10	Time	180	1.9 x 33 x .50	Time	31	.8 x 33 x .50	Time	13	3 x 33		99	594	693
Total			46,610			2,112	1.9 x 200 x .50	Time	190	.8 x 200 x .50	Time	80	3 x 200 x .50	Time	300	1,800	2,100
									6,038			1,365			2,191	56,125	58,316
d. Operating Equipment																	
1. Rentals																	
2 T Trammer w/charger @ 750/mo	9 x 750		6,750			-			-			-			-	6,750	6,750
Mucking Machine @ 375/mo	9 x 375		3,375			-			-			-			-	3,375	3,375
2 Drill Jumbo w/Leyner @ 932/mo	9 x 932		8,388			-			-			-			-	8,388	8,388
Mine Cars @ 47/mo	9 x 47 x 10	Cars	4,230			-			-			-			-	4,230	4,230
Drifter Drill w/leg @ 93/mo	9 x 93		837			-			-			-			-	837	837
3/4 Pickup Truck @ 125/mo	9 x 125 x .75	Time	844	9 x 125 x .10	Time	112	1.9 x 125 x .10	Time	119	.8 x 125 x .50	Time	50	3 x 125 x .50	Time	188	1,125	1,313
FWD Pickup Truck @ 165/mo	9 x 165 x .75	Time	1,114	9 x 165 x .10	Time	148	1.9 x 165 x .50	Time	157	.8 x 165 x .50	Time	66	3 x 165 x .50	Time	248	1,485	1,733
2 T Truck @ 185/mo	9 x 185		1,665			-			-			-	3 x 185 x .25	Time	139	1,665	1,804
Calculator @ 45/mo	9 x 45 x .75	Time	304	9 x 45 x .10	Time	40	1.9 x 45 x .50	Time	43	.8 x 45 x .50	Time	18	3 x 45 x .50	Time	68	405	473
Typewriter @ 6/mo	9 x 6 x .75	Time	41	9 x 6 x .10	Time	5	1.9 x 6 x .50	Time	6	.8 x 6 x .50	Time	2	3 x 6 x .50	Time	9	54	63
2. Depreciation																	
2 650 c.f.m. Compressors @ 20,000 ea 5 yrs 333/mo	9 x 333 x 2 Comp. x .83		4,946	9 x 333 x .20	Time	599			-			-			-		
Electric Lamp Charger @ 525 5 yrs 10/mo	9 x 10		90			-	1.9 x 333 x .50	Time	316	.8 x 333 x .50	Time	133	3 x 333		999	5,994	6,993
Bulldozer w/angle blade 23,213 5 yrs 387/mo	9 x 387 x .75	Time	2,612	9 x 387 x .10	Time	348			-			-			-	90	90
Mine Cars @ 510 5 yrs 9/mo			--	9 x 9 x 2 Cars x .70 "		114	1.9 x 387 x .50	Time	368	.8 x 387 x .50	Time	155	3 x 387 x .50	Time	580	3,483	4,063
Stoper Drill @ 1,285 5 yrs 21/mo			-			-	1.9 x 9 x 2	Cars	34	.8 x 9 x 2	Cars	14	3 x 9 x 2	Cars	54	162	216
Timber Cars @ 327 5 yrs 6/mo	9 x 6 x 2 Cars		108	9 x 6 x 2 Cars x .70 "		75			-	.8 x 21		17			-	17	17
Mucking Machines 3,750 5 yrs 62/mo	9 x 62 x .80	Time	449			-	1.9 x 6 x 2	Cars	23	.8 x 6 x 2	Cars	10	3 x 6 x 2	Cars	36	216	252
1½ T Trammer w/charger 6,000 5 yrs 100/mo	9 x 100		900	9 x 100 x .77	Time	697	1.9 x 62 x .50	Time	59	.8 x 62		50			-	558	558
Total			36,653			2,138	1.9 x 100 x .75	Time	143	.8 x 100 x .75	Time	60	3 x 100		300	1,800	2,100
									1,268			575			2,621	49,634	43,255
e. Rehabilitation and Repairs - Does not apply																	
f. Buildings, improvements, installations - Does not apply																	
g. Miscellaneous																	
Assaying @ 3.00/sample	600 samples x 3.00		1,800	200 samples x 3.00		600			-			-	120 samples x 3.00		360	2,400	2,760
Sample sacks @ .94 ea	100 sacks x .94		940	50 sacks x .94		470			-			-	10 sacks x .94		9	1,410	1,419
Core boxes @ 4.55 ea = 40' core			-	30 x 4.55		137			-			-	10 sacks x 4.55		46	137	183
Core splitter @ 216.00			-			216			-			-			-	216	216
Clinometer @ 65.00			-			65			-			-			-	65	65
Clinometer bottles @ 3.00 ea			-	5 x 3		15			-			-	3 x 3		9	15	24
Ledgers, office supplies @ 1.12 man month	9 x 1.12 x 25	Men	252	9 x 1.12 x 2	Men	20	1.9 x 1.12 x 4	Men	8	.8 x 1.12 x 3	Men	3	3 x 1.12 x 11	Men	37	283	320
Surveying and drafting supplies @ 20.00/mo	9 x 20		180			-			-			-	3 x 20		60	180	240
Telephone @ 95/mo	9 x 95 x .75	Time	641	9 x 95 x .18	Time	150	1.9 x 95 x .25		46	.8 x 95 x .25		19	3 x 95 x .50	Time	142	855	997
Travel 25¢/mile @ 1200 mile/mo=300/mo	9 x 300 x .75	Time	2,025	9 x 300 x .17	Time	472	1.9 x 300 x .25		143	.8 x 300 x .25		60	3 x 300 x .50	Time	450	2,700	3,150
Postage @ 20.00/mo	9 x 20 x .75	Time	135	9 x 20 x .17	Time	31	1.9 x 20 x .25		10	.8 x 20 x .25		4	3 x 20 x .50		30	180	210
Equipment Insurance @ 2.37/100 of 6d value			1,938			-			-			--			-	1,938	1,938
Employment Liability @ 4% of 6b	.04 x 89,273		3,571	.04 x 14,732		589	.04 x 5,522		221	.04 x 2,325		93	.04 x 10,203		408	4,474	4,882
Unemployment Tax @ 3% of 6b	.03 x 89,273		2,678	.03 x 14,732		442	.03 x 5,522		166	.03 x 2,325		70	.03 x 10,203		306	3,356	3,662
FICA Tax @ 2½% of 6b	.0225 x 89,273		2,009	.0225 x 14,732		331	.0225 x 5,522		124	.0225 x 2,325		52	.0225 x 10,203		230	2,516	2,746
Total			$ 16,169			$ 3,538			$ 717			$ 301			$ 2,087	$ 20,725	$22,812
			188,705			22,520			13,545			4,566			17,102	229,336	246,438
			$ 64.29/ft.			-			$ 11.88/ft.			$58.54/ft.					

GENERAL MINERALS CORP.
440 MEADOWS BLDG.
DALLAS, TEXAS

6. Detailed Explanation of Costs - Examples

(b) Labor	Shift Rate per 5' shift or 25 shifts/ month	Drifting Annie Stage II 1300'÷ 5'/shift=260 shifts÷2=130 double shift days=5.2 months Direct	Indirect	Drift Rehabilitation Annie Stage II 550'÷ 10'/shift=55 shifts=2.2 months Direct	Indirect	Drill Station Annie Stage I 3 stations x 13.3'=40'÷ 4' shift=10 shifts=.4 mo. Direct	Indirect
Manager 1200/mo	$ 48		$ 6,240		$ 2,640	$	$ 480
Superintendent 750/mo	30	$ 3,900		$1,650		300	
Geologist 700/mo	28		3,640		1,540	140	140
Draftsman 450/mo ½ Time=225/mo	18		2,340		990		180
Night Shift Boss 600/mo	24	3,120		-	-	-	-
Equipment Foreman 580/mo	23		3,016		1,276		232
Accountant 450/mo	18		2,340		990		180
Mechanic 2.50/hr=570 mo	23	2,964		1,254		228	
Miners 1.95/hr or 455/mo	18	9,464 (4)		2,002 (2)		364 (2)	
Truck Driver 1.95/hr or 455/mo	18		2,366		1,001		182
Motorman 1.95/hr or 455/mo	18	4,732 (2)		1,001 (1)		182	
Dozer Operator 2.10/hr or 480/mo	19		2,496		1,056		192
Cook 260/mo	10		1,352		572		104
Helper 225/mo	9		1,170		495		90
Dishwasher 200/mo	8		1,040		440		80
Total		$24,180	$ 26,000	$ 5,907	$11,000	$ 1,214	$ 1,860
c. Operating Materials and Supplies							
20# Rail @ 200'=1.33 drift ft.	6.65	1,729		732		53	
Ties @ 71/MBF=.22 drift ft.	1.10	286		121		9	
Powder,cap & fuses @ 4.75/drift ft.	23.75	6,175		-	-	190	
4" Airline w/couplings @ 1.05 " "	5.25	1,365		578		42	
2" Airline w/ " @.65/drift ft.	3.25	845		358		3	
Timber @ .25 of tot.dr.ft. @ 5.75/dr.ft.	28.75	3,738		1,582		115	
Drill Steel & Bits 2.70/drift ft.	13.50	3,510		-	-	11	
Fishplates, spikes & bolts @ .21/dr.ft.	1.05	273		115		8	
Shovels,picks,axes,hand tools @ .20 dr.ft.	1.00	260		150		8	
Electric Lamps @ 25.00/man	1.00	260		150		8	
Electric Power @ 500/mo	10.00	1,300		495		100	
Rubber pants and jackets @ 17.00/man			136		94	-	-
Gasoline 1,000 gal/mo @ .36=300/mo	12.00		1,560		594	-	120
Diesel 100 hr/mo x 4 gal. x .20=30/mo	3.20		416		159		32
Propane 200 gal/mo @ .20=40/mo	1.60		208		79		16
Tires, 3 vehicles x 5.00/mo=15/mo	.60		78		30		6
Maintenance 3 veh. x 20/mo=60 mo	2.40		312		119		24
Mining mach. maintenance @ .71/drift ft.	3.55	923		141		36	
Compressor maintenance 10% of 333=33/mo	1.32	172		653		13	
Bulldozer " 2.00/hr. x 100 hr=200/mo	8.00		1,040		396		80
Total		$20,836	$ 3,750	$ 5,075	$ 1,471	$ 596	$ 278
d. Operating Equipment							
1. Rentals							
2 T Trammer w/charger 750/mo	$ 30.00	$ 1,950					
Mucking Machine 375/mo	15.00	1,950					
2 Drill Jumbo w/Leyner 932/mo	37.30	4,849					
Mine Cars @ 47/mo x 10 cars=470	18.80	2,440					
Drifter Drill w/leg @ 93/mo	3.72		$ 484				
3/4 Pickup Truck 125/mo	5.00		650		275		50
FWD Pickup Truck 165/mo	6.60		858		363		66
2 T Truck 185/mo	7.40		962		407		74
Calculator 45/mo	1.80		234		99		18
Typewriter 6/mo	.24		31		13		2
2. Depreciation							
2 650 c.f.m. Compressors @ 20,000 ea for 5 years 333/mo x 2=666 mo	26.64	3,463		733 (½ time)		133 (½ time)	
Electric Lamp Charger @ 525, 5 yrs= 10/mo	.40	52		22		4	
Bulldozer w/angle blade 23,213 5 yrs 387/mo	15.48		2,012		851		155
Mine Cars @ 510 5 yrs 9/mo	.36			79 (4 cars)		4	
Stoper Drill	.84			-	-	8	
Timber Cars 6 x 2 cars=12/mo	.48	62		26		5	
Mucking Machines 3,750 5 yrs 62/mo	2.48			136		25	
1½ T Trammer w/charger 6,000 5 yrs 100/mo	4.00	520		220		40	
Total		$15,236	$ 5,231	$1,216	$2,008	$ 219	$ 365
e. Rehabilitation and Repairs-Does not apply							
f. New buildings, improvements, installations-Does not apply							
g. Miscellaneous							
Assaying 1300'÷ 5'=260 x 3.00/sample		780		300		-	-
Sample sacks .94/ea @ 100 sacks			940		47	-	-
Core Boxes 4.55/ea=40' core				-		-	-
Core splitter @ 216.00				-		-	-
Clinometer @ 65.00				-		-	-
Clinometer bottles @ 3.00 ea				-		-	-
Ledgers, office supplies 1.12 man month			105		10		3
Surveying and drafting supp. 20/mo	.80		104		44		8
Telephone @ 95/mo	3.80		494		209		38
Travel 25¢/mile,1200 mile/mo=300/mo	12.00		1,560		660		120
Postage @ 20.00/mo	.80		104		44		8
Equipment Insurance 2.37/100 of 6d value		425	178	27	14	46	5
Employment Liability 4% of 6b		967	1,036	236	440	48	74
Unemployment Tax 3% of 6b		725	777	177	330	36	56
FICA Tax 2¼% of 6b		544	583	133	248	27	32
Total		$ 3,441	$ 5,881	$ 873	$2,046	$ 157	$ 344
TOTAL		$63,743	$ 40,862	$13,071	$16,525	$2,176	$ 2,847
AVERAGE		49.02/ft.	31.43/ft.	23.77/ft.	30.00/ft.	52.92/ft.	71.18/ft.



ANNIE - TEWKSBURY VEINS

STAGE I

Hole no.	Length	Vertical Dist. below collar	Dip
A I - 1	193'	150'	51°21'
A I - 2	200'	150'	48°28'
A I - 3	202'	150'	48°01'
A I - 4	186'	150'	53°45'
A I - 5	180'	150'	56°19'

STAGE III

Hole no.	Length	Vertical Dist. below collar	Dip
A III - 1	292'	186'	39°49'
A III - 2	294'	195'	41°34'
A III - 3	287'	190'	41°34'
A III - 4	301'	205'	43°09'
A III - 5	329'	225'	43°09'
A III - 6	397'	271'	43°09'

STAGE IV

Hole no.	Length	Vertical Dist. below collar	Dip
A IV - 1	360'	300'	56°19'
A IV - 2	372'	300'	53°45'
A IV - 3	368'	300'	54°38'

HIDDEN VEIN

STAGE I

Hole no.	Length	Vertical Dist. below collar	Dip
H I - 1	200'	153'	50°
H I - 2	200'	153'	50°
H I - 3	200'	153'	50°

TEWKSBURY VEIN

STAGE I

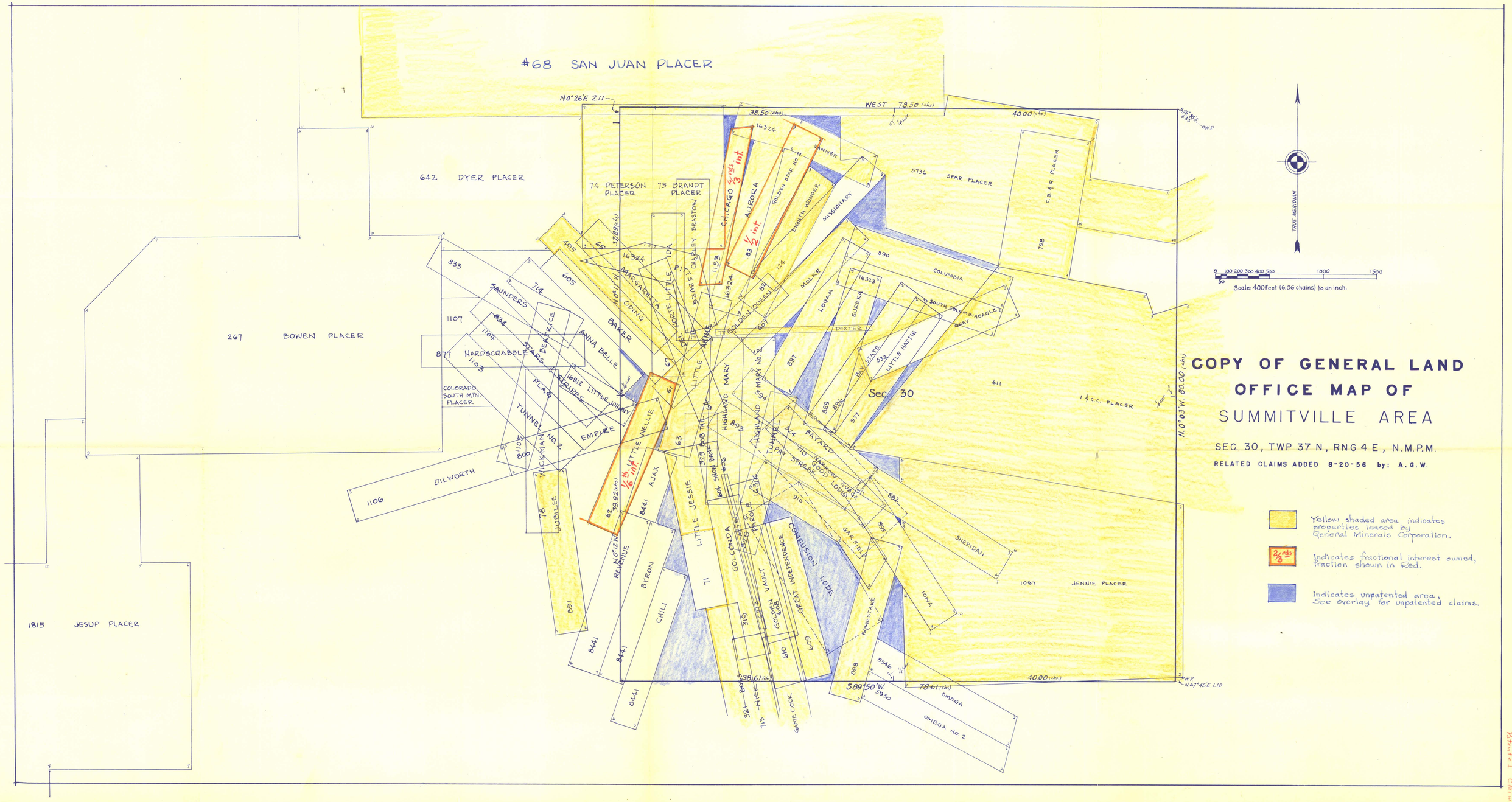
Hole no.	Length	Vertical Dist. below collar	Dip
T I - 1	403'	300'	48°01'
T I - 2	412'	300'	46°41'
T I - 3	235'	157'	42°

STAGE II

Hole no.	Length	Vertical Dist. below collar	Dip
T II - 1	250'	0'	Horz.

STAGE III

Hole no.	Length	Vertical Dist. below collar	Dip
T III - 1	250'	180'	36°53'
T III - 2	250'	180'	36°53'
T III - 3	250'	180'	36°53'



COPY OF GENERAL LAND OFFICE MAP OF SUMMITVILLE AREA

SEC. 30, TWP 37 N, RNG 4 E, N.M.P.M.

RELATED CLAIMS ADDED 8-20-56 by: A.G.W.

Yellow shaded area indicates properties leased by General Minerals Corporation.

2/3rds Indicates fractional interest owned, fraction shown in Red.

Indicates unpatented area, See overlay for unpatented claims.

GENERAL MINERALS CORP.
MEADOWS BLDG.
DALLAS, TEXAS

in Brasted claims