MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6843

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

THE ROYAL NATION COMPANY
9731 Graystone
Rock Hill, Mo.
63119

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 24 1971
INITIALS | CODE
130
120

Office of Minerals Exploration
Geological Survey
Department of The Interior
Washington D. C. ,20242

May 20, 1971

Re: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little
Nation Lodes
San Juan County, Colorado

Gentlemen:

We received the letter of May 14th from your Denver office requesting a financial statement from Mr. Glen E. Davis.

Mr. Davis and I, Thomas J. Carter, have an agreement between us that I would furnish The Royal Nation Companys portion of the exploration cost, and it would be a part of the Partnership Agreement.

Attached is an addendum to the Partnership Agreement.

Sincerely

Thomas J. Carter

Thomas J. Carter
The Royal Nation Company

copy to Region III

PARTNERSHIP AGREEMENT

ARTICLE 1X

23. The Royal Nation Company has made application to The Department of The Interior, Office of Minerals Exploration for financial assistance in exploring mines in the San Juan Mining District, San Juan County, Colorado.

Mr. Carter is to furnish The Royal Nation Company's portion of the cost.

This will be a loan to the company and payable at the rate of 5% of the net smelter returns at such time mining production may start.

Thomas J. Carter

Thomas J Carter

THE ROYAL NATION COMPANY
9731 Graystone Terrace
Rock Hill,Mo.
63119

OME Region III
RECEIVED
MAY 13 1971
Denver, Colorado

United States
Department of The Interior
Geological Survey

Re: OME-0843 (Silver-Gold)
The Royal Nation Co.
Royal Charter and
Little Nation Lodes

Gentlemen:

Referring to your letter of April 13th asking for additional information to supplement our application for financial assistance.

1. (c) Copy of Mr. Carter's financial statement showing that our portion of the exploration cost can be raised, by the cash in the bank, $1,054.23; savings accounts and saving certificates, $7,958.00; and listed securities that can be sold or put up for a loan, $4,429,00.

2. (a) (1) Copy of lease from Herbert and Grace Devault to Glen E. Davis and Thelma Davis. The assignment of the lease to Thomas Carter from the Davis'. The assignment of the lease from Thomas Carter to The Royal Nation Company.

   (2) Copies of the Partnership Agreement between Thomas J. Carter and Glen E. Davis, forming the "The Royal Nation Company".

   (3) Mr. Davis is half owner of the property and has leased his portion to The Royal Nation Company, the lease is dated April 2,1971. Copy of the lease is attached.

   (4) The Royal Nation Company now has leased the mining property inits entirety.

   Subordination Agreement is attached. It is signed by Mr. & Mrs. Devault and Mr. & Mrs. Davis, the owners of the property.

   (5) Attached is a map that outlines the claims involved.

3. (b) In August 1957 Mr. Davis purchased the mines from Mr. Devault and a third party. After the purchase Mr. Davis sold one-half interest to Mr. & Mrs. Devault on or about August 21,1957. The mines have not been worked since their ownership.

7. (a) Attached are copies of letters outling the drilling cost and also geologist services. It seems that our estimates of cost are in line with their letters.

Thank you for further consideration and hope the attached information is what you desire.

Sincerely,

Thomas J. Carter

Thomas J. Carter, Partner
The Royal Nation Company

P. O. Box 1167
Montrose, Colorado 81401

Telephone: 303-249-3501
303-249-3701

MacPherson Drilling Co., Inc.
subsidiary of
connors drilling ltd.

February 19, 1971

Mr. Glenn E. Davis
7328 Forsyth
St. Louis, Missouri 63105

Dear Sir:

The following schedule of rates would apply for drilling at the Little Nation Mine near Silverton, Colorado.

ITEMS

1. Mobilization and demobilization of equipment: $250.00 lump sum.

2. Rehabilitation of mine, installation and recovery of air and water lines, cutting drill stations if required: $25.00 per hour, each two (2) man crew, plus material used such as timber, percussion drilling bits, explosives, etc..

3. Compressor furnished, maintained and operated: $67.00 per eight (8) hour shift.

4. Diamond Core Drilling:

	AX Size
0.0 to 500 feet depth	$7.15 per foot

5. Reaming for casing if required: $3.50 per foot.

6. The following would be furnished at no cost to MacPherson Drilling Co. or by MacPherson Drilling Co. at its cost plus 10%: All timber required and core boxes.

7. To do the work MacPherson Drilling Co. will furnish all drilling equipment, including a compressor, air and water lines, fittings, accessories and supplies (exceptions noted). The work will be carried out on a single shift basis of eight (8) hours each day, six (6) days per week by a two (2) man crew, experienced in mining operations and underground drilling.

Your interest in MacPherson Drilling Company's services is sincerely appreciated. Should the terms be acceptable, a formal agreement will be drawn up stipulating insurance coverage, terms for payment, etc. before commencement of operations.

Please call on us at your convenience if there are any questions.

Very truly yours,
MacPherson Drilling Co., Inc.

E. G. Tucker

E. G. Tucker
Manager

EGT/pm

P. O. Box 1367
Montrose, Colorado 81401

Telephone: 303-249-3501
303-249-3701

MacPherson Drilling Co., Inc.
subsidiary of
connors drilling ltd.

April 27, 1971

Thomas J. Carter
The Royal Nation Company
9731 Graystone
Roch Hill, Missouri 63119

Dear Mr. Carter:

In response to your letter regarding quotations to Mr. Davis for drilling at the Little Nation Mine near Silverton, Colorado:

We are pleased to advise that the quotations are firm and will apply for drilling in holes from zero to 500 feet in depth regardless of total linear footage drilled during the calander year of 1971.

$250.00 set up
$7.15 per foot

Holes drilled to depths exceeding 500 feet will be charged for at escalated prices per foot beyond the depth of 500 feet. This is required to cover our cost for additional equipment and the reduced production in deeper holes.

Should there be any further questions please call on us at your convenience.

Very truly yours,

MacPherson Drilling Co., Inc.

E. G. Tucker
Manager

EGT/pm

BANKERS UNION LIFE BUILDING
SUITE 315

2401 E. SECOND AVENUE
DENVER, COLORADO 80206

303-399-7293

NORTH AMERICAN EXPLORATION COMPANY, INC.

April 30, 1971

Mr. Thomas J. Carter
The Royal Nation Company
9731 Graystone
Rock Hill, Missouri 63119

Re: Geologic Consulting

Dear Mr. Carter:

Thank you for your inquiry of April 27, into the possibility of retaining our firm to supervise core drilling near Silverton, Colorado. Many items would combine to constitute your total cost on a project such as this.

Probably, one geologist could supervise the mine work, as well as do the laboratory work. So, in the computation of your cost, you could probably assume one geologist at $125.00/day plus expenses while outside Denver, Colorado. A short letter agreement is all that is necessary in the way of a contract to perform this work.

Our company should be in a position to undertake the project anytime after May 15. If there is any further information you desire, please advise.

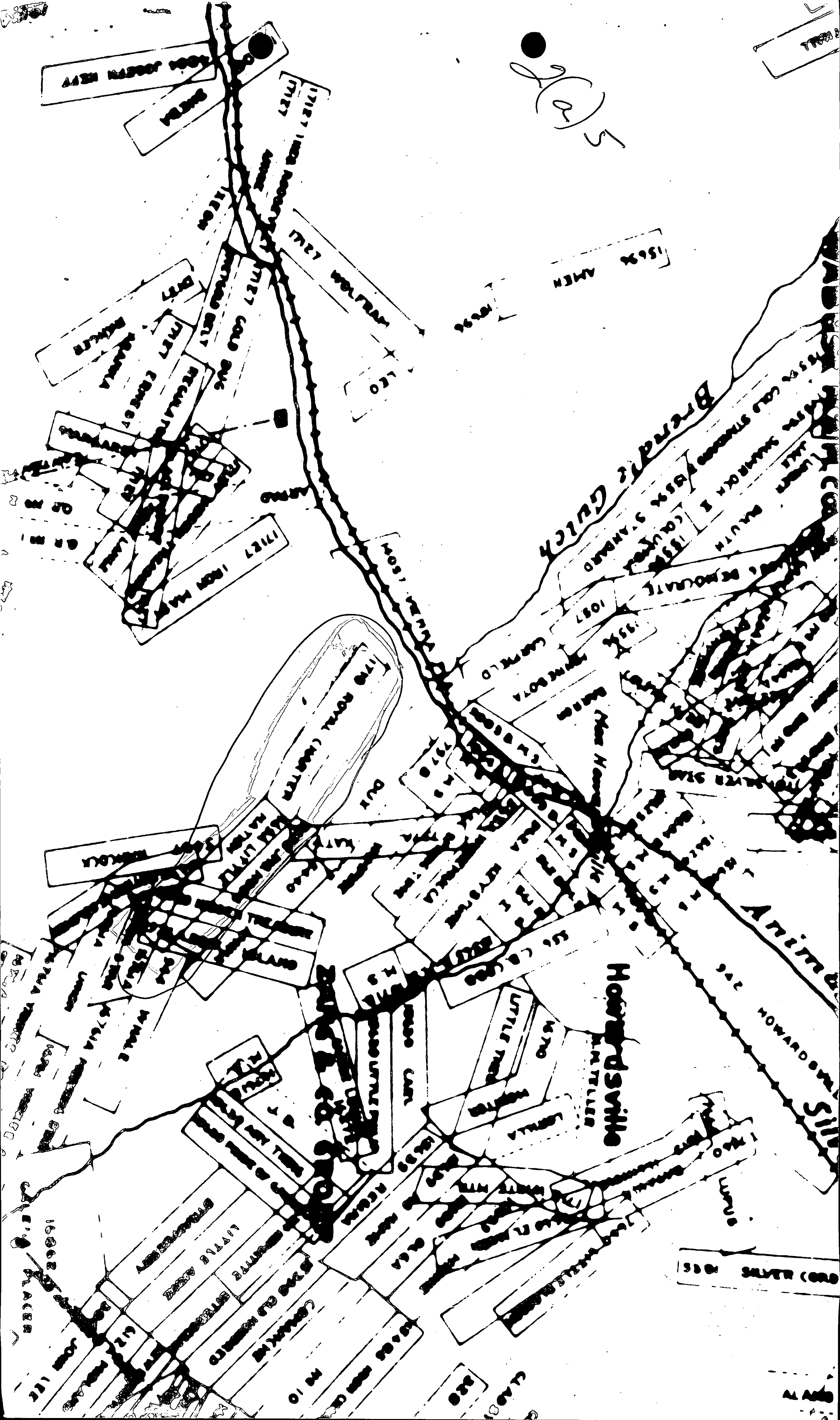
Very truly yours,

G. L. Scott

G. L. Scott

GLS:sm

2(a)5



GOLDEN DRILLING, INC.
GOLDEN COLO.

OFFICE PH. 279-1371
W. E. MATTHEWS, MANAGER

SHOP PH.
279-1021

TEST BORINGS

:N DRILLING INC.
IAMOND DRILLING CONTRACTORS
P.O. BOX 246
;olden, Colorado 80401
PHONE 279-1371

May 3, 1971

The Royal Nation Co.
9731 Graystone
Rock Hill, Mo. 63119

Gentlemen;

Pretaining to your letter about drilling North of Silverton, Colo. is very vague and informative.

Mob and Demob of Drilling Equipment			$500.00
Drilling	NXWL	BXWL	
0 - 250'	$8.20	$7.60	
250 - 500'	9.40	8.20	

Water and roads furnished by owner.

Subject to change after inspection of site.

Sincerly,
W. E. Matthews
W.E. Matthews
Golden Drilling Inc.

/ (c)

Please do not leave any questions unanswered.

Confidential

PERSONAL STATEMENT

To

Department of Interior
U.S. Government

Name Thomas J. Carter Address 9731 Graystone Terrane Rock Hill, Missouri 63119

For the purpose of procuring and maintaining credit from time to time in any form whatsoever with the above Financial Institution, for claims and demands against the undersigned, the undersigned submits the following as being a true and accurate statement of its financial condition on the following date, and agree that if any change occurs that materially reduces the means or ability of the undersigned to pay all claims or demands against it, the undersigned will immediately and without delay notify the said Financial Institution, and unless the above is so notified it may continue to rely upon the statement herein given as a true and accurate statement of the financial condition of the undersigned as of the close of business.

(Month) April (Day) 16th 1971

ASSETS				LIABILITIES			
Cash on hand and in Banks	1,	054	23	Notes payable to Banks			
U. S. Gov. Securities—see schedule				Secured	4,	000	00
Listed Securities—see schedule	4,	429	00	Unsecured			
Unlisted Securities—see schedule				Notes payable to relatives			
Accounts and Notes Receivable Due from relatives and friends				Notes payable to others			
				Accounts and bills due			
Accounts and Notes Receivable Due from others—good	1,	340	00	Accrued taxes and interest			
				Other unpaid taxes			
Accounts and Notes Receivable Doubtful	1,	160	00	Mortgages payable on Real Estate—see schedule	3,	778	00
Real Estate owned—see schedule	20,	500	00	Chattel Mortgages and other Liens payable			
Real Estate Mortgages owned	3,	310	75				
Automobiles 1969 Ply Fury	1,	950	00	Other debts—itemize		100	00
Personal property	6,	000	00				
Other assets—itemize							
Profit Sharing Plan	8,	921	89				
Savings Accounts	7,	958	00				
Cash Value Life Ins.	1,	800	00				
				NET WORTH	50,	545	87
TOTAL ASSETS	58,	423	87	TOTAL LIAB. & NET WORTH	58,	423	87

SOURCE OF INCOME		
Salary	$	10,440.00
Bonus and commissions	$	
Dividends	$	
Real Estate income	$	650.00
Other income—itemize Interest	$	350.00
Profit Sharing		1,850.00
TOTAL	$	13,290.00

PERSONAL INFORMATION	
Business or occupation	Age
Banking (Bank of St. Louis	56
Partner or officer in any other venture	
The Royal Nation Company	
Married Yes	Children 1 (Married)
Single	Dependents 1 (Wife)

CONTINGENT LIABILITIES	
As endorser or comaker	$
On leases or contracts	$
Legal claims	$
Provision for Federal Income Taxes	$
Other special debt	$

GENERAL INFORMATION
Are any assets pledged? ~~XXX~~ Yes
Are you defendant in any suits or legal actions? Yes, Auto Insurance Coverage
Personal bank accounts carried at Bank of St. Louis & Commerce Bank Of University City
Have you ever taken bankruptcy? Explain No.

(SCHEDULES ON REVERSE SIDE)

P-11

SCHEDULE OF U. S. GOVERNMENTS, STOCKS AND BONDS OWNED

Description		In name of	Market value
Ramada Inn	50 Shares	Thomas J. Carter	$1,450.00
Northwest Industries	50 "	Thomas J. Carter	1,300.00
Fletcher Capital	50 "	Thomas J. Carter	317.00
Manchester Ins. L & C	100. "	Thomas J. Carter	537.00
American Snacks	100. "	Thomas J. Carter	425.00
Simulation Ingeneering	200. "	Thomas J. Carter	400.00

SCHEDULE OF MORTGAGES OWNED

Description of property covered	Date of acquisition	In name of	Maturity	Amount
607 So Oakland, Webb City Mo.	2-1-68	Both in Name of Thomas J. Carter, Ernston A. Carter, & Mary E. Tilton	1988	5,061.88
605 Ellis Ave., Webb City, Mo			1983	4,870.38
				$9,932.262

SCHEDULE OF REAL ESTATE OWNED

Description of property and improvements	Date of acquisition	Title in name of	Cost	Market value	Mortgage Amount	Mortgage Maturity
9731 Graystone Terrace Rock Hill, Missouri 63119	1955	Thomas J. & Catharine M. Carter	16,500.	20.500.	$3778.00	1975
				1/3 Interest	3,310.75	

SCHEDULE OF LIFE INSURANCE CARRIED

Amount	Name of company	Beneficiary	Cash surrender value	Loans
10,000	Predentual Insurance Co.	Mrs. Catharine M. Carter		
2,000	Metropolitan Life Ins.	" " " "	1200. 00	100.00
1,000	Metropolitan Life Ins.	" " " "	600.00	
15,000	General American Life	" " " "		

GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name	High credit	Basis
Commerce Bank of University City	8,000.	Demand Notes
Universal C.I.T. Credit Corp.	3,500.	Secured

THE UNDERSIGNED CERTIFIES THAT BOTH SIDES HEREOF AND THE INFORMATION INSERTED THEREIN HAS BEEN CAREFULLY READ AND IS TRUE AND CORRECT.

April 16, 1971
Date signed

Thomas J. Carter
Signature

CONTRACT LEASE

This Mining Lease made and entered into this 17th day of August, 1970, by and between Herbert Davault and Grace Devault, of New Florence, Missouri, parties of the first part, and herein after called "Lessor"; and Glen E. Davis and Thelma Davis, of St. Louis, Missouri, parties of the second part, and hereinafter called, "Lessee".

WITNESSETH:

The Lessor, owners of part, in the below listed mining property do hereby, for and in consideration of the sum of Ten Dollars to them in hand payed, and the covenants and agreements thereof, and subject to all the conditions, limitations and restrictions herein contained, have leased, and do hereby lease, unto the Lessee, all of our interest to the following described mining property situated lying and being in the Animas Mining District in San Juan County, Colorade, to-wit:

1. Undivided one fourth Keystone, less one acre, Survey No. 562
2. One acre of Keystone; this is one acre apart from above Survey No. 562
3. Undivided on fourth Winnemuca, Survey No. 563
4. One half Royal Charter Lode Mining Claim, Survey No. 1710
5. One half Little Nation Lode Mining Claim, Survey No. 169a
6. Part of Little Nation Mill Site, Survey No. 169b
7. One half Katy Mill Site, Survey No. 797b
8. One half Highland Lode Mining Claim, Survey No. 5484
9. One half Big Pine Mining Claim, Survey No. 6552
10. One half Black Crook Mining Claim, Survey No. 5483
11. One half Una Mining Claim, Survey No. 10036a
12. One half Martin Mining Claim, Survey No. 10036a
13. One half Vesper Mining Claim, Survey No. 10036a
14. One half Emma Mining Claim, Survey No. 10036a
15. One half Una Mill Site, Survey No. 10036b

Together with improvements thereon:

ROYALTY

During the existance of this Lease the Lessee shall have the right to mine, remove and sell ore from the property described, and agrees to pay the Lessors upon all ore, concentrates and other valuables, mined, shipped and sold from, through, around, or because of this Lease a royalty of 5% of all net smelter returns. Royalty monies being based on 50% ownership, and being owned equally between the Lessors, shall be divided equally and payed to them directly from the smelter, or the point and place of sale. "Net smelter returns" as used herein shall mean the net assey value of the ore at the point of delivery to the ore buyer, deducting therefrom only the actual cost of transportation, treatment, umpire expenses, and similar required charges that may be manditory.

It is further, and herein agreed that royalty money, as forementioned and as payed by the Lessee to the Lessor shall be credited in partial payment to the agreed sales price for the properties as listed in this Contract and upon payments in the full amount of royalty credits by the Lessee to the Lessor, the amount of $20,000.00. The Lessors shall deliver to the Lessee full titles, and ownership and all interests owned in the aforementioned properties by the Lessors to the Lessee, his heirs or assigns.

RECORDS

The Lessee shall at all times keep complete and accurate records of such mining, prospect drill holes, and cuts, assey reports, ore and tonnage movements. All records and the mining property shall be open for the Lessors inspection at any reasonable times.

COVENANTS OF LESSEE

To comply with all the rules and regulations of the Federal, the State, and the County Mining Departments now in force or hereinafter enacted.

To operate and to mine said premises in a first class mining fashion, to timber wherever necessary, to dispose of waste in such a manner as not to cause any damage or injury to other premises.

To permit Lessors or agents at any reasonable time to visit or inspect said premises and any or all of the records which reflect the amount of work done an said property, the amount of ore mined, the proceeds from the sale of any ore or other valuables.

To be responsible, and pay, all debts that may incur because of said Lease, or the operation of the property.

To pay all bills promptly and to protect said premises from any labor or materialments liens, and written notices shall be put up and maintained at the mine that the Lessors are not responsible for any labor or material debts.

To comply with the Workmen's Compensation Laws of the State of Colorado.

To pay any taxes or penalties that may because of this Lease or operation of the properties, become a debt, or lien against said property.

DURATION OF LEASE

This Lease shall be held to be in force, valid, active, and valuable during the year 1970 and 1971, and will terminate itself without notice, December 31, 1971.

The Lessee may at his option and upon written notice thirty (30) days before said termination, renew the Lease in its entirety, together with its agreements and covenants, and it shall terminate itself December 31, 1972.

TERMINATION OF LEASE

The Lessors and Lessee especially covenant and agree with each other that the Lessee may at any time during the lease period terminate this lease by giving thirty (30) days notice in writing by registered or certified mail to the Lessors at their last known post office address of the desire and intention of the Lessee to so terminate. Upon the effective date of termination there shall be no further liabilities and obligations thereunder as to either the Lessors or the Lessee. The exercise by the Lessee of said right of termination shall in no way constitute or be held to be a default hereunder. Upon the termination of this Lease the Lessee shall surrender possession of the premises.

Time is of the essence in this agreement, and in the event of failure of the Lessee to perform all its obligations hereunder at the time and manner specified, or if the Lessee shall be guilty of a breach or violation of the other covenants herein contained then the Lessor shall have the right, at their option, to terminate the lease by giving thirty (30) days notice in writing, which notice shall be sent by registered of certified mail to the last known address of the Lessee. Property, machinery, and equipment belonging to the Lessee may be moved from the premises, weather permitting, within the time limit of the thirty (30) day written notice.

ASSIGMENT AND SUCCESSION

The Lessee shall not assign this lease, or parts herein, to other parties without the consent of the Lessors. If such consent be given, the assignment shall be in the form of a document that will be included to the original lease agreement. Such assignment will not release the Lesee of the Lessee's liabilities.

This lease and all it's terms and conditions shall be binding on successors in interest of the Lessors and Lessee.

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

Herbert Davault, New Florence, Mo. — Herbert Davault Lessor

Grace Devault, New Florence, Mo. — x Grace Davault Lessor

Witness my hand and official seal
My commission expires:

12-31-1970

Witness Duty
Probate Judge, Lawrence Co. Mo

Glen E. Davis, ~~5409 Lansdowne~~ 7328 Forsythe, St. ~~Louis, Mo.~~ Clayton, Mo

Thelma Davis, ~~5409 Lansdowne~~, St. ~~Louis, Mo.~~

_____ Lessee

Thelma Davis Lessee

Witness my hand and official seal
My commission expires:

Glen E. Davis
Notary Public

CONSENT TO ASSIGNMENT AND LEASE ADDENDUM

Come now Lessors on this 21st day of September, 1970 and do hereby consent to Lessees' assignment of the lease of August 17, 1970 by and between Glen E. Davis and Thelma Davis, Lessees, and Herbert Davault and Grace Davault, Lessors, and consent to Lessees' assignment of this lease and all rights hereunder, to such parties as Lessees desire.

ADDENDUM TO LEASE

As an addendum to the lease aforementioned, the paragraph with regard to royalties, which is the first paragraph on page 2 of the lease, Lessors agree that Lessees or their assigns may pay the $20,000 purchase price or any portion due thereon upon the exercise of the purchase option from any source they have available and not limited to royalty payments; anything to the contrary in the first paragraph of page 2 of the lease notwithstanding.

Herbert Davault

Herbert Davault

Grace Davault

Grace Davault

MINING LEASE ASSIGNMENT

I and or We Glen E. Davis and Thelma Davis, of the city of St. Louis, Mo. do hereby assign a Mining Lease to Thomas Carter, of the city of St, Louis, Mo. together with all it's rights and regulations hereunder.

Said Mining Lease Being issued by Herbert Davault and Grace Davault, of New Florence, Mo. to Glen E. Davis and Thelma Davis, and pertaining to Mining Property located in The Animas Mining District of San Jaun County Colorado and near the town of Silverton.

The right and prevelege of assigning said Mining Lease has been established by an Addendum to the Mining Lease heretofore issued by Herbert Davault and Grace Davault, and the aforementioned Addendum is new a part of the Mining Lease.

Glen E. Davis

Thelma Davis

Witness my hand and seal this 15th day of March 1971

NOTARY PUBLIC, STATE OF MISSOURI
MY COMMISSION EXPIRES DECEMBER 7, 1973

My Commission expires _____

M. D. Rather

I, Thomas Carter, of the city of Rock Hill, Missouri do hereby assign a Mining Lease to The Royal Nation Company of the City of Rock Hill, Missouri with all it's rights and regulations hereunder.

Said Mining Lease being issued by Herbert and Grace Devault, of New Florence, Missouri to Glen E. and Thelma Davis, and then assigned to Thomas Carter, and pertaining to Mining Property located in the Animas Mining District of San Jaun County, Colorado and near the town of Silverton.

The right and prevelege of assigning said Maining Lease has been established by an Addendum to the Mining Lease heretofore issued by Herbert and Grace Devault, and the aforementioned Addendum is now a part of the Mining Lease.

Witness my hand and seal this 21st day of April, 1971.

My Commission expires

My Commission Expires Aug. 29, 1971 Mae E. Ice
Notary

CONTRACT LEASE

This Mining Lease made and entered into this 2nd day of April, 1971, by and between Glen E. Davis and Thelma Davis, of Clayton, Missouri, parties of the first part, and herein after called "lessor"; and The Royal Nation Company, of St. Louis County, Missouri, parties of the second part, and herein after called, "Lessee".

WITNESSETH:

The Lessor, owners of part, in the below listed mining property do hereby, for in consideration of the sum of Ten Dollars to them in hand payed, and the convenants and agreements thereof, and subject to all the conditions, limitations and restrictions herein contained, have leased, and do hereby lease, unto the lessee, all of our interest to the following discribed mining property situated lying and being in the Animas Mining District in San Juan County, Colorado, to-wit:

1. Undivided one fourth Keystone, less one acre Survey No. 562
2. One acre of Keystone; this is one acre apart from above Survey No. 562
3. Undivided one fourth Winnemuca, Survey No. 563
4. One half Royal Charter Lode Mining Claim, Survey No. 1710
5. One half Little Nation Lode Mining Claim, Survey No. 169A
6. Part of Little Nation Mill Site, Survey No. 169B
7. Onehalf Katy Mill Site, Survey No. 797B
8. One half Highland Lode Mining Claim, Survey No. 5484
9. One half Big Pine Mining Claim, Survey No. 6552
10. One half Black Crook Mining Claim, No. 5483
11. One half Una Mining Claim, Survey, No. 10036A
12. One half Martin Mining Claim, Survey No. 10036A
13. One half Vesper Mining Claim, Survey No. 10036A
14. One half Emma Mining Clain, Survey No. 10036A
15. One half Una Mill Site, Survey No. 10036B

Together with improvements thereon:

ROYALTY:

During the existance of this Lease the Lessee shall have the right to mine, remove and sell ore from the property described, and agrees to pay the lessors upon all ore, concentrates and other valuables, mined, shipped and sold from, through, around, or becauseof this Lease a royalty of 5% of all net smelter returns. Royalty monies being based on 50% ownership, and being owned equally between the Lessors, shall be divided equally and payed to them directly from the smelter, or the point and place of sale. "Net smelter returns" as used herein shall mean the net assey value of the ore at the point of delivery to the ore buyer, deducting therefrom only the actual cost of transportation, treatment, umpire expense, and similar required charges that may be manditory.

It is further, and herein agreed that royaly money, as forementioned and as payed by the Lessee to the Lessor shall be credited in partial payment to the agreed sales price for the properties as listed in this contract and upon payment in the full amount of royalty credits by the Lessee to the Lessor, the amount of $20,000.00.The Lessor shall deliver to the Lessee full titles, and ownership and all interests owned in the forementioned properties by the Lessors to the Lessee, his heirs or assigns.

RECORDS:

The Lessee shall at all times keep complete and accurate records of such mining, prospect drill holes, and cuts, assey reports, ore and tonnage movements. All records and mining property shall be open for the Lessors inspection at any reasonable times.

COVENANTS OF LESSEE:

To comply with all the rules and regulations of the Federal, the State, and the County mining Departments now in force or hereinafter enacted.

To operate and to mine said premises in the first class mining fashion, to timber wherever necessary, to dispose of waste in such a manner as to not cause any damage or injury to other premises.

To permit Lessors or agents at any reasonable time to visit or inspect said premises and any or all of the records which reflect the amount of work done on said property, the amount of ore mined, the proceeds from the sale of any ore or other valuables.

To be responsible, and pay, all debts that may incur because of said lease, or the operation of the property.

To pay all bills promptly and to protect said premises from any labor or materialments liens, and written notices shall be put up and maintained at the mine that the Lessors are not responsible for any labor or material XXXXXX debts,

To comply with the Workmen's Compensation Laws of the State of Colorado.

To pay any taxes or penalties that may because of this Lease or operation of the properties, become a debt, or lien against said property.

DURATION OF LEASE:

This Lease shall be held to be in force, valid, active, and voluable during the year 1971, and will terminate itself without notice, December 31,1971.

The Lessee may at his option and upon written notice thirty (30) days before said termination, renew the lease in its entirety, together with it agreements and covenants, and it shall terminate itself December 31, 1972.

TERMINATION OF LEASE :

The Lessors and the lessee especially covenant and agree with each other that the Lessee may at any time during the Lease period terminate this lease by giving thirty (30) days notice in writing by registered or certified mail to the Lessors at their last known post office address of the desire and intention of the Lessee to so terminate, Upon the effective date of the termination there shall be no further liabilities and obligations thereunder as to either the Leesors or the Lessee. The exercise by the Lessee of said right of termination shall in no way constitute or be held to be a default hereunder. Upon the termenation of this Lease the Lessee shall surrender possession of the premises.

Time is of essence in this agreement, and in event of failure of the Leessee to perform all its obligations hereunder at the time and manner specified, or if the Lessee shall be quilty of a breach or violation of the other covenants herein contained then the Lessor shall have the right, at their option, to terminate the lease by giving thirty (30) days notice in writing, which notice shall be sent by registered or certified mail to the last known address of the Lessee. Property, machinery, and equipment belonging to the Lessee may be moved from the premises, weather permitting, within the time limit of the thirty (30) day written notice.

ASSIGNMENT AND SUCCESSION:

The Lessee shall not assign this lease, or parts herein, to other parties without the concent of the Lessors. If such consent be given, the assignment shall be in the form of a document that will be included to the original lease agreement. Such assignment will not release the Lessee' liabilities.

This lease and all its terms and conditions shall be binding on successors in the interest of the Lessors and Lessee.

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

Glen E. Davis, 7328 Forsyth, Clayton,Mo. Glen E. Davis

Thelma Davis , 7328 Forsyth, Clayton,Mo. Thelma Davis

Witness my hand and official seal
My Commission Expires Dec. 7, 1972 Gloria Ann Lo[illegible]

The Royal Nation Company
9731 Graystone
Rock Hill, Missouri

Glen E. Davis
Partner

Thomas J. Cassel
Partner

Witness my hand and official seal
My commission expires Dec. 7, 1972 Gloria Ann [illegible]

PARTNERSHIP AGREEMENT

This Agreement made and entered into this 1st day of April 1st, 1971, by and between Glen E. Davis of 7328 Forsyth Boulavard, Clayton, Missouri, and Thomas J. Carter of 9731 Graystone Terrace, Rock Hill, Missouri, Witnesseth:

Whereas, Glen E. Davis is the owner of one-half interest in some mining properties, located in San Juan County, Colorado, and has leased from Mr. Devault the other half of the mining properties, of which Mr. Davis has assigned said lease to Mr. Thomas J. Carter, and

Whereas the parties desire to explore, mine and mill ore from the said mines. Capital to be raised from outside sources or by either partner.

Now, Therefore, intending to be legally bound hereby, the parties hereto agree to form a general partnership under the laws of the State of Missouri, under the following terms and conditions.

ARTICLE 1

1. The name of the partnership shall be The Royal Nation Company.

2. The principal place of business of the partnership shall be 7328 Forsyth Boulevard, Clayton, Missouri, 63105, and at such otherlocations within or without the State of Missouri as may be agreed upon by the partners.

ARTICLE 11

3. The partnership shall engage in the mining business and in such other business of a similar nature or related thereto as shall be agreed upon by the partners.

ARTICLE 111

4. Each partner shall contribute the sum of $10.00 on or before April 1,1971 plus the ownership and the lease of the mining properties listed below;

Name of Claim	U.S. Survey Number
1. Undivided one-half Keystone, less one acre	No. 562
2. One acre of Keystone; this is one acre apart from the above Survey Number 562	
3. Undivided one-half Winnemucca	No. 563
4. Royal Charter Lode Mining Claim	No. 1710
5. Little Nation Lode Mining Claim	No. 169A
6. Part of Little Nation Mill Site	No. 169B
7. An Undivided one-half Katy Mill Site	No. 797B
8. Highland Chief Lode Mining Claim	No. 5484

9. Big Pine Lode Claim	No. 6552
10. Blackbrook Lode Mining Claim	No. 5483
11. Una Lode Mining Claim	No. 10036A
12. Martin Lode Mining Claim	No. 10036A
13. Vesper Lode Mining Claim	No. 10036A
14. Emma Lode Mining Claim	No. 10036A
15. Una Mill Site	No. 10036B

It is agreed that the partnership interests of the partners shall be 51% Mr. Glen E. Davis and 49% Thomas J. Carter.

5. An individual capital account shall be maintained for each partner.

6. Except by unanimous agreement of the partners, or on dissolution, the capital contribution of the partners shall not be subject to withdrawal.

7. The fund of the partnership shall be deposited in the firm name of the partnership in a depository to be selected by the partners and all said funds shall be withdrawable only by checks signed by such person or persons as shall be designated by the partners.

ARTICLE IV

8. The net profit or net losses of the partnership shall be distributable or chargeable, as the case may be, to each of the partners in their proportions.

9. An individual income account shall be maintained for each partner. Profits and losses shall be credited or debited to the individual in come accounts as soon as practicable after the close of the calendar year.

10. If there be no balance in the individual income accounts, net losses shall be debited to the individual capital accounts. If the capital account of a partner shall have been depleted by the debiting of losses under this paragraph, future profits of that partner shall not be credited to his income account untill the depletion shall have been made good, his share of the profit thereafter shall be credited to his income account.

11. Proper books of the account shall be kept in the business office of said partnership which shall contain the true and correct account of all transactions relating to said business and either party shall have full and free access thereto at all times, but shall not remove the same from the business office of said partnership.

12. A general account and inventory shall be taken of the partnership affairs, business and transactions as of December 31 of each year, which said account shall be entered on the partnership books and be conclusive in the absence of fraud or mistake.

ARTICLE V

13. Each of the partners shall have an equal voice in the management and conduct of the partnership business. The partners agree diligently to employ themselves at all times in the business of the partnership and to carry on the same to the greatest advantage of said business, and neither party shall directly or indirectly engage in any business detrimental to the business of the partnership. Each partner shall receive a salary as shall from time to time be agreed upon, but the payment of salaries shall be an obligation of the partnership only to the extent that there are partnership assets available therefor, and shall not be an obligation of the partners individually. Salaries shall be treated as expenses of the partnership in arriving at net profits or losses.

14. All disputes or differences, if any, which shall arise between the parties which cannot be adjusted between themselves shall be referred to and decided by an arbitration in the following manner: Each party shall select a disinterested person as a referee and the two referees shall select an umpire and the three thus selected shall proceed to hear the matter and determine the same as speedily as possible, and the decision of any two in all respects shall be final and conclusive on the parties. In the event any partner shall fail to select a referee within ten days after written notice by the other party of his selection of a referee and of his request for arbitration, the the referee so appointed by the one partner shall proceed to hear and determine the matter in controversy and his reward in the case shall be final and conclusive on the parties.

ARTICLE VI

15. Any partner may withdraw from the partnership by giving the other partner sixty days notice in writing of his intention to do so.

16. Retirement, death, or insanity of a partner shall work an immediate dissolution of the partnership.

17. In the event of the dissolution of the partnership by the retirement, death or insanity of a partner, a proper accounting shall be made of the capital and income accounts of each partner and of the net profit or net loss of the partnership from the date of the last previous accounting to the date of dissolution.

18. In the event of retirement, death or insanity of a partner, the remaining partner shall have the option to continue the business of the partnership under its present name by himself, or in conjuction with any other person or persons he or they may select, but he shall pay to the retiring partner, or to the legal representative of the deceased or insane partner, as the case may be, the value of his interest in the partnership as provided in the next numbered paragraph of the Article.

19. The value of the interest of a retiring, deceased or insanity of thepartner, as of the date of dissolution, shall be the sum of:

(a) His capital account;

(b) His income account;

(c) Any earned and uppaid salary due him;

(d) His proportionate share of accrued profits;

If a net loss has been incurred to the date of dissolution, his share of such loss shall be deducted.

Inventory for the purpose of this Article shall be valued at cost or market value, whichever is lower. Other assets shall be valued at book value.

No value for good will or firm name shall be included in in any computations of a partner's interest under this Article.

20. It is further agreed that in event that any partner shall retire from the partnership and sell his interest therein and the remaining partner elects to continue the business, the withdrawing partner shall not for a period of one year thereafter carry on or engage in or be interested directly or indirectly in any other buniness located within a radius of one mile from the principal place of businessof the partnership which shall or will compete with or interfere with the business of said partnership.

ARTICLE V11

21. Unless dissolved by the retirement, death or insanity of a partner, the partnership shall continue until dissolved by agreement of the partners. Upon any such voluntary dissolution by agreement, the affairs of the partnership shall be liquidated forthwith. The assets of the partnership shall first be used to pay or provide for the debts of the partnership. Thereafter, all moneys in the income accounts of the partners, and all amounts due for earned or unpaid salaries of the partners, shall be paid to the partners respectively entitled thereto. The [redacted] remaining assets shall be divided according to the proportionate interest of the partners on the basis of their respective capital accounts as they stood upon the date of such dissolution, after crediting or debiting thereto the net profit or net loss accrued or incurred, as the case may be, from the date of the last accounting to the date of dissolution.

ARTICLE V111

22. Neither partner shall, without the consent of the other, enter into any bonds or become bail or security for any person or do anything whereby the capital or property of the partnership may be impaired, attached, or taken on execution.

In Witness Whereof, the parties hereto have executed this agreement in duplicate the day and year aforesaid.

Date April 2, 1971 Thomas J Carter
Partner

Date April 2, 1971 Glen E. Davis
Partner

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
APR 8 1971
INITIALS | CODE

April 6, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Application for financial assistance from:
The Royal Nation Company (Silver and Gold)
Royal Charter and little Nation Lode Claims
San Juan County, Colorado

Transmitted herewith is an application for financial assistance in minerals exploration from the Royal Nation Company 9731 Graystone Terrace, Rock Hill, Missouri, 63119. The applicant is applying for an estimated $33,898.50 to explore for new and undiscovered reserves of silver and gold, by diamond drilling on the Royal Charter and Little Nation and adjacent patented lode claims in San Juan County, Colorado.

The application is not complete in that the applicant does not include two copies each of two letters of request to the banks, even though he furnishes the bank's replies and subsequent denial, which are not for the correct amount. The maps are merely sketches from old files, perhaps the U. S. Bureau of Mines as the production figures included are obviously from the U. S. Bureau of Mines. A cursory review of the production tables indicates that some 9,567 tons of ore mined had an estimated average grade of 0.01 oz. Au, 3.50 oz. Ag, 0.75% Cu, 5.0% Pb and 3.0% zinc. At current prices (4/6/71), this ore would have a gross value of $36.54 per ton.

The applicant proposes diamond drilling, some of which may be essentially development drilling and some may be exploration drilling as shown on the cross section of the mine area accompanying the application. I have requested patent plats from the U. S. Bureau of Land Management and will send you a copy when they arrive here.

The applicant does not provide bids for the diamond drilling, assaying and bulldozing, and he apparently intends to rehabilitate the tunnels and prepare the diamond drill stations on his own account, or at least not on a bid basis. I would recommend drilling not less than BX size to begin with, then reduce to Ax and/or Ex size if needed as drilling progresses.

Lien and subordination agreements will undoubtedly be required if a contract were to be considered.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure: Royal Nation Company application

MME Form 40
(Revised Nov. 68)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME Region III
RECEIVED
APR 5 - 1971
Denver, Colorado

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*	APPLICANT DO NOT USE THIS BLOCK
THE ROYAL NATION COMPANY 9731 Graystone Terrace Rock Hill, Missouri 63119	DOCKET NUMBER 6843 DATE RECEIVED 4-8-71 REGION III DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL ☐
- CORPORATION ☐
- PARTNERSHIP ☒
- OTHER *(Specify)* ☐

STATE IN WHICH FIRM IS ORGANIZED: Missouri

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Thomas J. Carter	9731 Graystone Terrace Rock Hill, Missouri 63119	Partner
Glen B. Davis	7328 Forsyth Blvd. Clayton, Missouri 63105	Partner

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

ESTIMATED COST OF PROJECT: $33,898.50

PROPERTY NAME	LOCATION COUNTY	STATE
Royal Charter Lode	San Juan	Colo.
Little Nation Lode	San Juan	Colo.

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

April 2, 1971
DATED

THE ROYAL NATION COMPANY
BY *(Signature)*
Thomas J. Carter — Partner
Glen B. Davis — Partner
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a)

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) If you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates. State your reasons for expecting to find ore.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property state name, address, and telephone number of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs for time and materials *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and price of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i. e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

1.) Financial Eligibility:

a) Letters attached, loan refused because of little or no collateral, high rist loan, money to be used in project to far from St.Louis.

1) Bank of St.Ann, 10449 St.Charles Rock Road, St.Ann, Missouri 63074

2) Commerce Bank of University City,6630 Delmar Blvd, University City, Missouri 63130

b) None.

c) Borrowing on Savings Certificates and against some stock.

2.) Applicant's Rights in Land:

a) Mr. Davis is one half owner of properties. Mr. Carter has a lease on the other half interest. The leasor, Mr. Devault, leased the half to mr. Davis, whom inturn assigned the lease to Mr. Carter.

Copy of Lease is attached.

Ownership is recorded in book no. 50, page no. 27, at the court house in Silverton, San Juan County, Colorado.

No liens or encumbrances.

b) Little Nation Mine; U.S. Survey No. 169A.
Royal Charter Mine; U.S. Survey No. 1710.

Part of Little Nation Mill Site and others close by.

Mr. Devault's half interest will be purchased by royalties as per the lease agreement. A bond will be purchased if at all possible.

3) Physical Description:

a) See attached map (A-1) showing location of mines from Silverton on Mt. King Solomon,,about one half mile from Howardsville.

See attached sketch of tunnel system (A-2). Last mining operation was in 1958. Some cleaning out of the tunnels must be done to get the drilling equipment to the location where core drilling will be done. All old mining equipment has been removed.

b) None, Mr. Davis purchased the mines after operations stopped in 1958. No operations sense then. Purchase recorded in Book No. 179, Page No. 118 & page 117.

c) Production sheets attached, (A-4).

d) Not known

e) Not known; other than information from production sheets and attached picture of vein.

f) No samples; Believe the reason for the mines closing was because of the low grade ore plus the low prices being received at that time, combined with the increased labor cost of production. We believe that there is some high grade ore to be found because of some reports in the production sheets.

g) We have no Geologic reports.

4.) Accessibility of Property:

a) Mr. Davis, 7328 Forsyth Blvd., Clayton, Missouri 63105; Phone number 314-862-7644, will meet your representative at the local hotel in Silverton and drive to the mine location.

b) Either the Standard Metals Mill or the Howardsville Mill. Both are within two miles of the mines.

5.) Exploration Work:

a) Refer to sketch (A-2), tunnels 1 & 2.

Cleaning out both tunnels and straighting them out so core drilling equipment can be gotten to drilling locations.
Approximately 2000 feet of core drilling at the end of each tunnel and about four drillings between the openning and the back of the mine. The core willbe 7/8".

b) The old switch back roads can be cleared.

c) Work would start within 30 days and be completed within 120 days.

6.) Experience:

Mr. Davis will be on hand to supervise the core drilling contractor. He worked around these mines for two to three years in the fifties. Have also considered having a geologist work with us. All drilling will be contracted out.

7.0 Estimate of Costs:

a) None; No bids attached.

b) Renting bulldozer and operator — 1,000.00
Cleaning and clearing switch back roads up to the old mine tunnels so equipment can be moved up the mountain.

560 man hours @ $5.00 per hour — 2,800.00
Three men for two weeks to clean out old mine tunnels. Two men for additional month to blast and clean out so core drillers can move equipment to spot of drilling.

Drillers setup fee for equipment — 250.00

2000 feet of 7/8 inch core drilling @ $7.15 per foot — 14,300.00
(A contract will be tried for at this rate)

Geological services, a local Geologist to be hired — 750.00

Supervision by Mr. Davis or local mining engineer — 4,000.00
$ 23,100.00

c) Fuel for air compressor @ $10.00 per day for 24 days — 240.00

Dynamite @ $43.25 per 100 lbs, 200 lbs — 86.50

Dynamite caps @ $38.00 per 1000 — 38.00

10 picks @ $14.00 each, 10 shovels @ $6.00 — 200.00

10 eyebolts and wedges @ $11.40 each — 114.00

1000 feet of 3x19 steel rope @ $ .40 per foot — 400.00

26-25 foot air hose @ $30.00 per section — 780.00

Misc parts for Jackleg drill — 400.00
$2,258.50

d) Air compressor rental (Rental) — 3,600.00

Jackleg drill (Purchase) — 900.00

Wench (Rental) — 850.00

Folding scraper (Purchase) — 675.00

2 rock cars @ $500.00 each (Purchase) — 1,000.00
$ 7,025.00

e) Repair old power house at top tunnel level to protect tools and equipment	$ 800.00
f) Social Security tax for the five men	$ 280.00
✓ Workmens compensation insurance	435.00
	$ 715.00

Grand total	b)	$23,100.00
	c)	2,258.50
	d)	7,025.00
	e)	800.00
	f)	715.00
		$33,898.50

February 22,1971

Mr. R. Partney
Bank of St Ann
10449 St. Charles Rock Road
St. Ann, Missouri

Dear Mr. Partney:

Please recall my conversation with you regarding making a loan with your bank for the purpose of exploring some old mines out at Silverton,Colorado.

I estimate that the cost of drilling and cleaning out the old mines would take around $20,000.00.

You mentioned that you thought that your bank would not be interested because of the type loan and distance from St.Louis, plus it would not be fully collateralized.

Would you please review the application again and let me know what can be done so you would make the loan.

Thank you for all past favors, I am

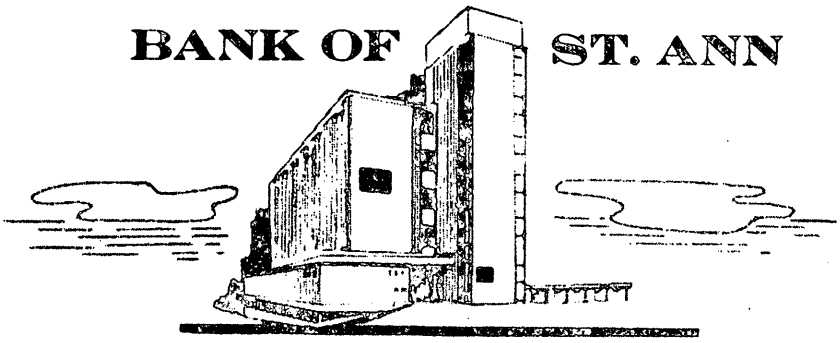
Yours very truly

Thomas J Carter

1-A-1

ROYAL NATION Co.

BANK OF ST. ANN



10449 ST. CHARLES ROCK ROAD
ST. ANN, MISSOURI 63074

March 1, 1971

Mr. Thomas J. Carter
9731 Graystone Terrace
Rock Hill, Missouri 63119

Dear Mr. Carter:

Thank you for your application for a business loan for $20,000.00. I am sorry to inform you that your request has been declined. This is in no way a reflection on your good credit.

Yours very truly,

R. W. Partney
Vice President

RWP/eu

February 24,1971

Mr.John R. Kaltenbach
Commerce Bank of University City
6630 Delmar
University City,Missouri 63130

Re: Commercial Loan

Dear Mr. Kaltenbach:

Please recall our conversation regarding my application for a $20,000.00 loan.

You asked me to give a brake-down as to how the money would be spent and then you would give it consideration.

Following is the information as I see it at the present time;

Equipment rental	$ 4,500.00
Drilling contract exp	14,300.00
Additional labor	3,500.00
	$ 22,300.00

As I mentioned I would be able to give you as part security some stock and $5,000.00 in CD's.

Because you have affiliated banks that are closer to Colorado where the mines arelocated,I would very much like to establish this kind of credit with your bank.

Any other information needed, please do not hesitate to call me.

Sincerely

Thomas J Carter

1-A-2

THE WONDERFUL WORLD OF BANKING

COMMERCE BANK
of University City

6630 Delmar Boulevard
University City, Missouri 63130
Phone: 314-721-4800

A Commerce Bancshares Affiliate

March 3, 1971

Thomas J. Carter
9731 Graystone Terrace
Rock Hill, Missouri 63119

Dear Mr. Carter:

We are sorry to inform you that our loan committee is unable to comply with your request for a loan for $20,000.00.

We would like to accomodate you in this matter but we find, at this time, that it is impossible to do so.

Sincerely,

John R. Kaltenbach
Assistant Vice President

JRK:st

ROYAL NATION Co

Royal Nation Co.

CONTRACT LEASE

This Mining Lease made and entered into this 17th day of August, 1970, by and between Herbert Davault and Grace Devault, of New Florence, Missouri, parties of the first part, and herein after called "Lessor"; and Glen E. Davis and Thelma Davis, of St. Louis, Missouri, parties of the second part, and hereinafter called, "Lessee".

WITNESSETH:

The Lessor, owners of part, in the below listed mining property do hereby, for and in consideration of the sum of Ten Dollars to them in hand payed, and the covenants and agreements thereof, and subject to all the conditions, limitations and restrictions herein contained, have leased, and do hereby lease, unto the Lessee, all of our interest to the following described mining property situated lying and being in the Animas Mining District in San Juan County, Colorade, to-wit:

1. Undivided one fourth Keystone, less one acre, Survey No. 562
2. One acre of Keystone; this is one acre apart from above Survey No. 562
3. Undivided on fourth Winnemuca, Survey No. 563
4. One half Royal Charter Lode Mining Claim, Survey No. 1710
5. One half Little Nation Lode Mining Claim, Survey No. 169a
6. Part of Little Nation Mill Site, Survey No. 169b
7. One half Katy Mill Site, Survey No. 797b
8. One half Highland Lode Mining Claim, Survey No. 5484
9. One half Big Pine Mining Claim, Survey No. 6552
10. One half Black Crook Mining Claim, Survey No. 5483
11. One half Una Mining Claim, Survey No. 10036a
12. One half Martin Mining Claim, Survey No. 10036a
13. One half Vesper Mining Claim, Survey No. 10036a
14. One half Emma Mining Claim, Survey No. 10036a
15. One half Una Mill Site, Survey No. 10036b

Together with improvements thereon:

ROYALTY

During the existance of this Lease the Lessee shall have the right to mine, remove and sell ore from the property described, and agrees to pay the Lessors upon all ore, concentrates and other valuables, mined, shipped and sold from, through, around, or because of this Lease a royalty of 5% of all net smelter returns. Royalty monies being based on 50% ownership, and being owned equally between the Lessors, shall be divided equally and payed to them directly from the smelter, or the point and place of sale. "Net smelter returns" as used herein shall mean the net assey value of the ore at the point of delivery to the ore buyer, deducting therefrom only the actual cost of transportation, treatment, umpire expenses, and similar required charges that may be manditory.

2-A

It is further, and herein agreed that royalty money, as forementioned and as payed by the Lessee to the Lessor shall be credited in partial payment to the agreed sales price for the properties as listed in this Contract and upon payments in the full amount of royalty credits by the Lessee to the Lessor, the amount of $20,000.00. The Lessors shall deliver to the Lessee full titles, and ownership and all interests owned in the aforementioned properties by the Lessors to the Lessee, his heirs or assigns.

RECORDS

The Lessee shall at all times keep complete and accurate records of such mining, prospect drill holes, and cuts, assey reports, ore and tonnage movements. All records and the mining property shall be open for the Lessors inspection at any reasonable times.

COVENANTS OF LESSEE

To comply with all the rules and regulations of the Federal, the State, and the County Mining Departments now in force or hereinafter enacted.

To operate and to mine said premises in a first class mining fashion, to timber wherever necessary, to dispose of waste in such a manner as not to cause any damage or injury to other premises.

To permit Lessors or agents at any reasonable time to visit or inspect said premises and any or all of the records which reflect the amount of work done an said property, the amount of ore mined, the proceeds from the sale of any ore or other valuables.

To be responsible, and pay, all debts that may incur because of said Lease, or the operation of the property.

To pay all bills promptly and to protect said premises from any labor or materialments liens, and written notices shall be put up and maintained at the mine that the Lessors are not responsible for any labor or material debts.

To comply with the Workmen's Compensation Laws of the State of Colorado.

To pay any taxes or penalties that may because of this Lease or operation of the properties, become a debt, or lien against said property.

DURATION OF LEASE

This Lease shall be held to be in force, valid, active, and valuable during the year 1970 and 1971, and will terminate itself without notice, December 31, 1971.

The Lessee may at his option and upon written notice thirty (30) days before said termination, renew the Lease in its entirety, together with its agreements and covenants, and it shall terminate itself December 31, 1972.

TERMINATION OF LEASE

The Lessors and Lessee especially covenant and agree with each other that the Lessee may at any time during the lease period terminate this lease by giving thirty (30) days notice in writing by registered or certified mail to the Lessors at their last known post office address of the desire and intention of the Lessee to so terminate. Upon the effective date of termination there shall be no further liabilities and obligations thereunder as to either the Lessors or the Lessee. The exercise by the Lessee of said right of termination shall in no way constitute or be held to be a default hereunder. Upon the termination of this Lease the Lessee shall surrender possession of the premises.

Time is of the essence in this agreement, and in the event of failure of the Lessee to perform all its obligations hereunder at the time and manner specified, or if the Lessee shall be guilty of a breach or violation of the other covenants herein contained then the Lessor shall have the right, at their option, to terminate the lease by giving thirty (30) days notice in writing, which notice shall be sent by registered of certified mail to the last known address of the Lessee. Property, machinery, and equipment belonging to the Lessee may be moved from the premises, weather permiting, within the time limit of the thirty (30) day written notice.

ASSIGMENT AND SUCCESSION

The Lessee shall not assign this lease, or parts herein, to other parties without the consent of the Lessors. If such consent be given, the assignment shall be in the form of a document that will be included to the original lease agreement. Such assignment will not release the Lesee of the Lessee's liabilities.

This lease and all it's terms and conditions shall be binding on successors in interest of the Lessors and Lessee.

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

Herbert Davault, New Florence, Mo. — Herbert Davault Lessor

Grace Devault, New Florence, Mo. — x Grace Davault Lessor

Witness my hand and official seal
My commission expires:

12-31-1970

Notary Public
Probate Judge, Gasconade Co. Mo

Glen E. Davis, ~~5409 Lansdowne~~ 7328 Forsythe, St. ~~Louis, Mo.~~ Clayton, Mo — _____ Lessee

Thelma Davis, ~~5409 Lansdowne~~, St. ~~Louis, Mo.~~ — Thelma Davis Lessee

Witness my hand and official seal
~~My commission expires:~~

Glen E. Davis
Notary Public

CONSENT TO ASSIGNMENT AND LEASE ADDENDUM

Come now Lessors on this 21st day of September, 1970 and do hereby consent to Lessees' assignment of the lease of August 17, 1970 by and between Glen E. Davis and Thelma Davis, Lessees, and Herbert Davault and Grace Davault, Lessors, and consent to Lessees' assignment of this lease and all rights hereunder, to such parties as Lessees desire.

ADDENDUM TO LEASE

As an addendum to the lease aforementioned, the paragraph with regard to royalties, which is the first paragraph on page 2 of the lease, Lessors agree that Lessees or their assigns may pay the $20,000 purchase price or any portion due thereon upon the exercise of the purchase option from any source they have available and not limited to royalty payments; anything to the contrary in the first paragraph of page 2 of the lease notwithstanding.

Herbert Davault

Herbert Davault

Grace Davault

Grace Davault

MINING LEASE ASSIGNMENT

I and or We Glen E, Davis and Thelma Davis, of the city of St. Louis, Mo. do hereby assign a Mining Lease to Thomas Carter, of the city of St, Louis, Mo. together with all it's rights and regulations hereunder.

Said Mining Lease Being issued by Herbert Davault and Grace Davault, of New Florence, Mo. to Glen E. Davis and Thelma Davis, and pertaining to Mining Property located in The Animas Mining District of San Jaun County Colorado and near the town of Silverton.

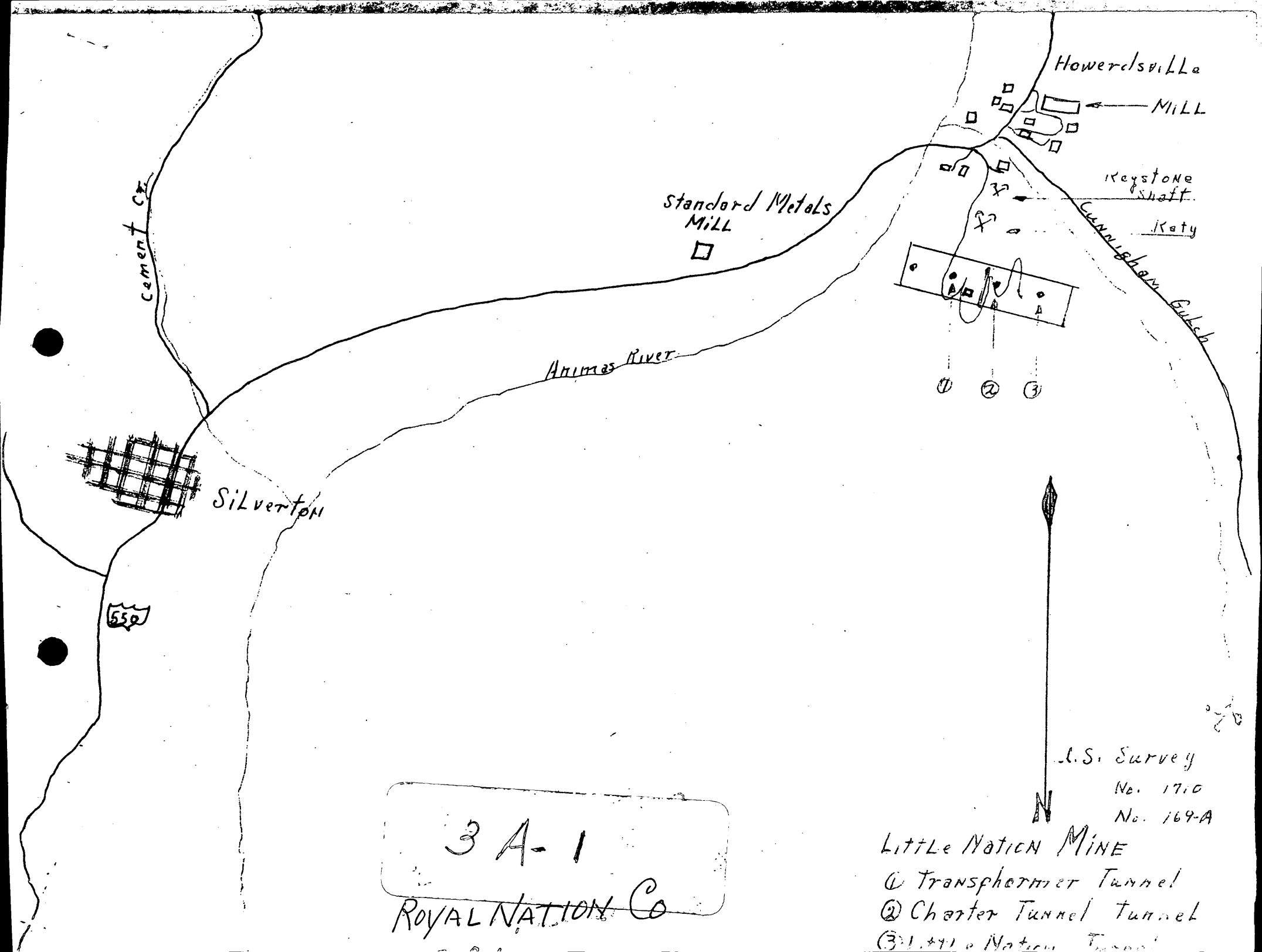
The right and prevelege of assigning said Mining Lease has been established by an Addendum to the Mining Lease heretofore issued by Herbert Davault and Grace Davault, and the aforementioned Addendum is new a part of the Mining Lease.

Glen E. Davis

Thelma Davis

Witness my hand and seal this 15th day of March 1971

My Commission expires NOTARY PUBLIC, STATE OF MISSOURI MY COMMISSION EXPIRES DECEMBER 7, 1973



3 A-1

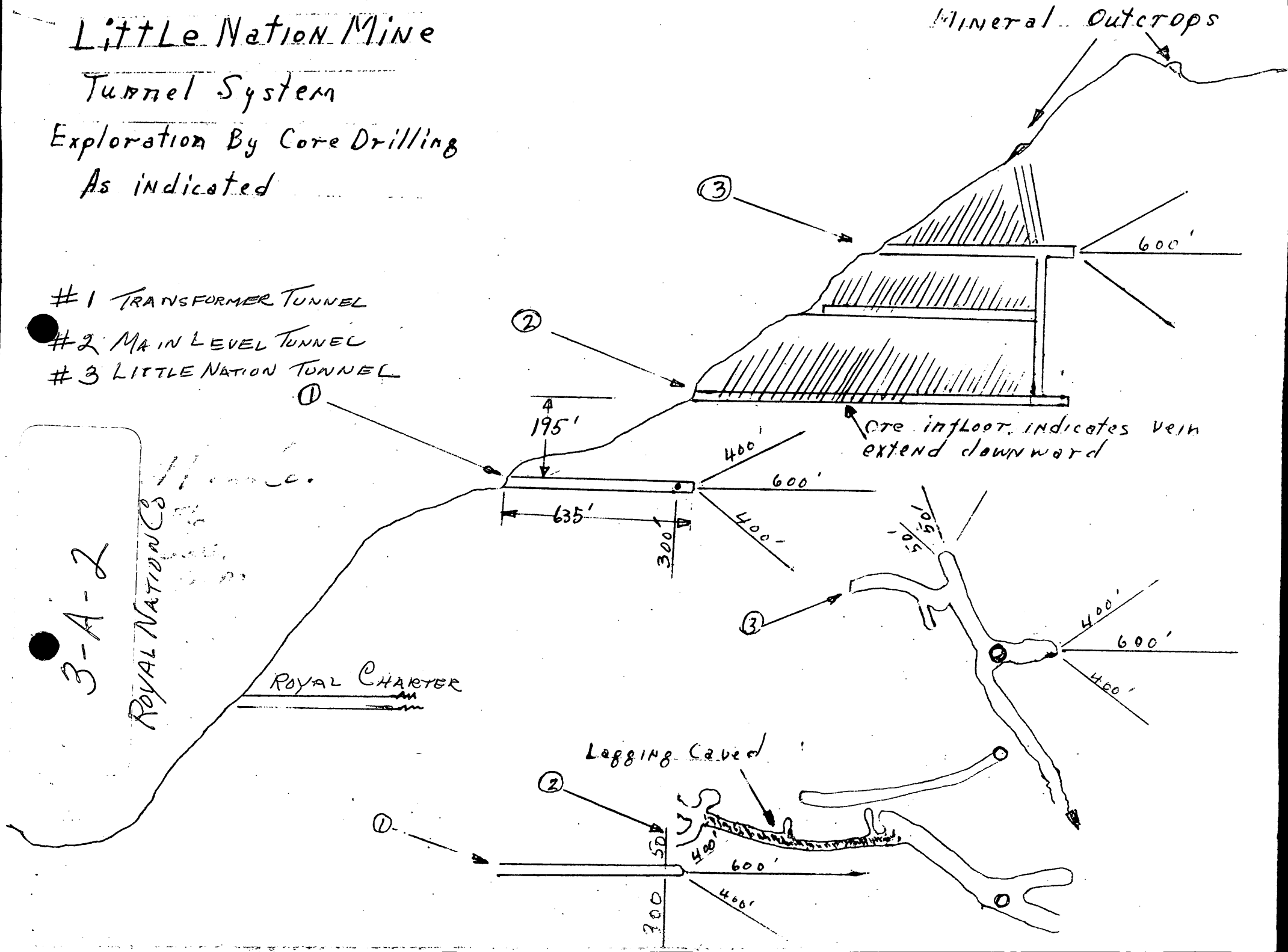
Royal Nation Co

Little Nation Mine

Tunnel System

Exploration By Core Drilling
As indicated

#1 TRANSFORMER TUNNEL
#2 MAIN LEVEL TUNNEL
#3 LITTLE NATION TUNNEL



ROYAL NATION COMPANY

#3 TUNNEL – KNOWN AS LITTLE NATION

(3-e)

OWNER (Name and address)	OPERATOR (Name and address)	DAYS OPERATED	DEVELOPMENT AND OTHER DATA
1900			
	[illegible]		
1916 prod'n reported			
Henry Freeborn, owner	[illegible]		150' of work on Tunnel
	Little Nation Mng Co.		
	do		
	do		Operated all year. Cut new entrance. Middle adit. Coster crowded over. New addition to mine building. 800' of drift + adits. Development entire year.
Tabbed as Little Nation, Royal Charter	do		
No prod'n reported			
	do		
	do		
do	do		
~~No prod'n reported~~ No prod'n reported	do		
1929 do	Royal Charter Mng Co, Silverton		
Tabbed as Royal Charter + L. N.			
1932 No prod'n. reported			
Tabbed "Royal Charter"	Royal Charter Mng Co.		
do	do		
1930 [illegible] prod'n reported			
[illegible] Nation	do		
			Prod'n for L. N. incl. in prod'n of Fannie [illegible]

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

(METAL OUTPUT—OVE

PERMANENT INDIVIDUAL MINE RECORD

Cts = concentrates

Name of group—Alphabetical listing) Animas
(County) (District)

CLAIMS: Royal Nation Co.

A-4 3C

page 1

SEC. TWP. RANGE:

CHARACTER OF DEPOSIT:

16—12350-1

OWNER (Name and address)		OPERATOR (Name and address)	DAYS OPERATED	DEVELOPMENT AND OTHER DATA
	1908	[illegible] Mng Co.		
16 prod'n reported	1909-1916			
Henry Faedpen, owner	1917	[illegible]		150' of work on tunnel
	1918	Little Nation Mng Co.		
	1919	do		
	1920	do		Operated all year. Cut new entrance to Middle adit. Coyote crowded over into new addition to mine buildings. 800' of drift + adits. Dump of [illegible] entire year.
Labled as Little Nation, Royal Charter	1921	do		
no prod'n reported	1922			
	1923	do		
	1924	do		
do	1925	do		
prod'n reported, no prod'n reported	1926	do		
29	1927			
	1928-1929	Royal Charter Mng Co, Silverton		
labled as Royal Charter + L. N.	1930			
32 No prod'n reported	1931-1932			
labled "Royal Charter"	1933	Royal Charter Mng Co.		
do	1934	do		
36 No prod'n reported	1935-1936			
labled Royal Charter, Little Nation	1937	do		

PRODUCTION

16—12500-1 U. S. GOVERNMENT PRINT

CRUDE ORE PRODUCED									CONCENTRATES PRODUCED							RECOVERED IN BULLION	
Dry Tons		Class	Treatment	Gross Metal Content of ore & /or cts.					Dry Tons	Class	Gross Metal Content					Gold (Ounces)	Silver (Ounces)
Ore	Old Tailings, etc.			Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)			Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)		
1908 93			direct to smelter								15	2,138	—	119,043	—		
									(B)		309	1,133	—	5,000	—		
1909-1916 no silver reported																	
1917 22	pb-cu		do								Treatment 1/2 oz	175	1,419	5,136	—		
									(B)		5	141	387	442	—		
1918 50	pb-cu		do								1	673	2,856	14,598	—		
									(B)		23	673	705	1,036	—		
1919 50	pb-cu		do								1	667	3,070	15,477	—		
									(B)		21	747	571	820	—		
1920 63	cu-pb		do								Treatment 1/2 oz	818	3,673	26,650	—		
									(B)		9	892	676	2,132	—		
1921 19	pb-cu		do								Treatment 1/2 oz	209	1,009	6,805	—		
											8	209	130	306	—		
1922 no production reported																	
1923 1,796	D.S.		milled 304 cts.	9	5,356	n.a.	n.a.	—			9	5,356	18,970	166,712	—		
									(B)		195	4,392	2,790	11,670	—		
1924 (est) 2,338		D.S. pb-cu	milled cts. 334	41	7,515	n.a.	n.a.	—			41	7,515	25,642	200,427	—		
									(B)		838	5,035	3,358	16,035	—		
1925 (est) 140		pb-Cu	milled cts. 70	1	581	n.a.	n.a.	—			1	581	6,000	3,000	—		
									(B)		27	403	853	261	—		
1926 47		Cu	direct smelter	2	1,008	6,583	27,653	—			2	1,008	3,903	24,888	—		
									(B)		45	572	512	1,569	—		
1927-1929 No production reported																	
1930 88		pb-Cu	direct smelter	3	940	6,406	35,781	7382			3	940	5,429	32,140	—		
									(B)		52	362	706	1,607	—		
1931-1932 no production reported																	
1933 19		pb	direct smelter			705	13,676	—			Treatment 1/2 oz	228	600	12,200	—		
									value →		10	80	38	451	—		
1934 183		pb-cu	do			12,618	57,676				3	1,878	10,000	52,000	—		
										value	105	1,214	800	1,924	—		

Objection to Publication	Dry Tons: Ore	Dry Tons: Old Tailings, etc.	Class	Treatment	Gross Metal Content of ore & per cts.: Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)	Dry Tons	Class	Gross Metal Content: Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)	Gold (Ounces)
1908	93			direct to smelter								15	2,138	—	119,043	—	
1909–1916	No prod'n reported									(B)		309	1,133	—	5,000	—	
1917	22	pb-cu		do								Leasing 1/2 of 5	175	1,419	5,136	—	
										(B)			141	387	442	—	
1918	50	pb-cu		do								1	673	2,856	14,598	—	
										(B)		23	673	705	1,036	—	
1919	50	pb-cu		do								1	667	3,070	15,477	—	
										(B)		31	747	571	820	—	
1920	63	cu-pb		do								Leasing 1/2 of 8	818	3,673	26,650	—	
										(B)			892	676	2,132	—	
1921	19	pb-cu		do								Leasing 1/2 of 8	209	1,009	6,805	—	
													209	130	306	—	
1922	No prod'n reported																
1923	1,796	D.S.		milled 204 pb-ct.	9	5,356	n.a.	n.a.	—			9	5,356	19,970	166,713	—	
										(B)		195	4,392	2,790	11,670	—	
1924 (est)	2,338		D.S.	milled													
			pb-cu	cts. 334	41	7,515	n.a.	n.a.	—			41	7,515	25,642	200,427	—	
										(B)		838	5,035	3,358	16,035	—	
1925 (est)	140			milled													
			pb-cu	cts. 70	1	581	n.a.	n.a.	—			1	581	6,000	3,000	—	
										(B)		27	403	853	261	—	
1927	47		pb-cu	direct smelter	2	1,008	5,583	27,653	—			2	1,008	3,903	24,888	—	
										(B)		45	572	512	1,569	—	
1928–1929	No prod'n reported																
1930	88		pb-cu	smelter	3	940	6,406	35,781	238			3	940	5,429	32,140	—	
										(B)		52	362	706	1,607	—	
1931–1932	No prod'n reported																
1933	19		pb	direct smelter			705	13,676	—			Leasing 1/2 of 10	228	600	12,200	—	
										value →			80	38	451	—	
1934	183		pb-cu	do			12,618	57,676				3	1,878	10,000	52,000	—	
											value	105	1,214	800	1,924	—	
1935–1936	No prod'n reported																
1937	500 est		pb	milled													
			pb	cts. 100	3	1,663	4,630	79,032	1,522			3	1,663	3,750	74,300	—	
											value	88	1,286	454	4,384	—	

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

(METAL OUTPUT—

PERMANENT INDIVIDUAL MINE RECORD

Little Nation (Royal Charter) CLAIMS: page 2
(Name of group—Alphabetical listing)

(State) (County) (District)

SEC. TWP. RANGE: on King Solomon Mtn.

CHARACTER OF DEPOSIT:

16—1286

R	OWNER (Name and address)	OPERATOR (Name and address)	DAYS OPERATED	DEVELOPMENT AND OTHER DATA
1947		Monroe Mng Co.		See Little Fannie p.r. card for lumped prodn figures for 4 mines.
1948	1946 No prodn reported			
1949	Tabbed "Little Nation"	John Knapp + Les Stewart		

PRODUCTION

16—12560-1 U. S. GOVERNMENT PRINTING OFFICE

Publication	Crude Ore Produced: Dry Tons: Ore	Dry Tons: Old Tailings, etc.	Class	Treatment	Gross Metal Content of ore & products: Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)	~~Concentrates Produced~~: Dry Tons	Class	Recovered ~~Gross~~ Metal Content: Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)	Recoveries in Bullion: Gold (Ounces)	Silver (Ounces)
1942	15		zn-pb	dirt to smelter								Smelter 1/2 oz	178	641	8,819	2,380		
											Value	15	127	78	591	221		
1943-1946	no prod'n reported																	
1947	66		pb	milled	1	385	3,207	8,756	3,745									
			pb-cu cts.		4	—	259	2,490	5,575	368		—	259	1,992	5,352	—		
			fe cts.		1	—	44	61	1,741	68		—	44	49	1,671	—		
			zn cts.		1	—	14	155	85	2,309		—	9	124	51	2,032		
											Value	—	282	455	1,019	246		

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

(METAL OUTPUT—C

PERMANENT INDIVIDUAL MINE RECORD

Little Nation (Royal Charter) CLAIMS:
(Name of group—alphabetical listing)
Colo. San Juan Ouray
(State) 056 (County) (District)

CHARACTER OF DEPOSIT:

page 3

16—12501

SEC. TWP. RANGE:

R	OWNER (Name and address)	OPERATOR (Name and address)	DAYS OPERATED	DEVELOPMENT AND OTHER DATA
8		J. B. Knapp & L. B. Stewart		100' drift
1A	Tabbed "Royal Charter", "Little Nation"	Little Nation Lease c/o John B. Knapp & J. B. Breymann, III		L. B. Stewart sold out May, 1949. 100' drift
1	Tabbed as "Little Nation"	Little Nation Lease		
2	Tabbed as "Little Nation"	Little Nation Lease		
3	Tabbed as "Little Nation"	C. K. Orton & Assoc.		Closed since 1952. Ore grade too low

PRODUCTION

16—125.50-1 U. S. GOVERNMENT PRINTING OFFICE

CRUDE ORE PRODUCED										~~CONCENTRATES PRODUCED~~							RECOVERY IN BULLION
Dry Tons		Class	Treatment	Gross Metal Content of ore for etc.						Dry Tons	Class	Recovered ~~Gross~~ Metal Content					
Ore	~~Old Tailings, etc.~~			Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)				Gold (Ounces)	Silver (Ounces)	Copper (Pounds)	Lead (Pounds)	Zinc (Pounds)	Gold (Ounces)
1948 1,441		zn-pb	milled →	17	4,036	29,879	170,849	114,700									
*		pb-cu	cts. 130	7	2,816	21,683	113,268	12,429				7	2,816	17,346	108,737	-	
		* fe	cts. 23	5	268	341	23,304	1,404				5	268	273	22,377	-	
			(53)	(12)	(3,084)	(21,934)	(136,422)	(13,833)				(12)	(3,084)	(17,619)	(131,109)		
		zn	cts. 42	-	107	1,016	1,560	23,421				-	70	813	936	44,610	
											value	420	2,855	4,000	23,636	8,595	
1949 538		zn-pb	milled	5	944	5,835	60,267	42,350									
*		pb-cu	cts. 50	2	712	4,139	43,457	6,382				2	712	3,311	41,911	-	
		* fe	cts. 9	2	60	65	7,148	872				2	60	52	6,862	-	
		zn	cts. 23	-	22	120	325	27,142				-	14	96	195	23,885	
			(59)	(4)	(772)	(4,204)	(50,405)	(7,254)				(4)	(772)	3,363	(48,773)	(-)	
											value	140	711	681	7,737	2,962	
1951 1,120		zn-pb	milled														
		pb	cts. 112	7	3,034	16,770	106,078	13,130				7	3,034	13,420	101,835	-	
		zn	cts. 40	-	83	394	616	45,643				-	56	315	373	40,870	
		fe	cts. 16	3	219	161	17,653	1,041				3	219	130	16,950	-	
											value	350	2,995	3,355	20,614	7,438	DP
19 352		pb-zn	milled	7	500	2,736	35,280	24,532									
		pb	cts. 36	5	417	2,396	33,004	4,698				5	417	1,920	31,685	-	
		zn	cts. 15	-	8	60	335	16,476				-	5	50	200	14,995	
											value	175	382	477	5,133	2,489	DP
1953 127		pb-zn	milled	1	439	2,585	14,282	7,308									
		pb	cts. 14	1	352	3,205	13,249	922				1	352	1,870	12,710	-	
		zn	cts. 4	-	18	77	169	5,032				-	12	60	100	4,600	
											value	35	329	554	1,678	529	?

33,899
25,424
58,475

OME-6843

1. (a). Copies of letters to & from banks. Amt. requested incorrect.
(b). Partnership
(c). Borrowing on Savings Certif. & against stock.

2. (a). Appears to be OK.
(b). Guess so! Need a claim map showing property involved.
(c). Need LVSA. from the Davaults

3. (a). OK - but a sketch
(b). Mr. Davis purchased mines ?!
(c). Prod. sheets attached
(d). Unknown
(e). Unknown
(f). No samples - no assay data
(g). No geologic reports

4. (a). & (b). OK.
5. (a). (b). (c). OK
6. OK
7. Need bids from contractors for drilling
Will not participate in cleaning out old mine tunnels, hence wont consider that part of cost estimates.
Development or exploration?

As it appears to us from the application Mr. Carter has a lease on 1/2 of property and Mr. Davis had a lease on 1/2 of property which he assigned to Mr. Carter. Now the applicant is The Royal Nation Company.

We need (1) the mining lease giving Mr. Carter his 1/2 interest in the property, (2) a document showing Carter and Davis dba as The Royal Nation Company, ~~and~~ (3) a document assigning Mr. Carter's 1/2 interest as well as the 1/2 interest acquired by assignment from Mr. Davis to The Royal Nation Company, and (4) Lien and Subordination Agreements ~~from~~ given by Davaults ~~to the~~ and The Royal Nation Company.

We need a claim map showing the claims involved in the OMLE application. ~~Not all of the claims listed in the mining lease will be involved.~~ Will all of the claims listed on the mining lease be involved in the ~~project~~ exploration? Please furnish a claim map showing only those claims pertinent to your exploration project.

What is meant by the answer to 3(b) of the application stating that "Mr. Davis purchased the mines after operations stopped in 1958"?

Thomas J. Carter } Partners
Glen E. Davis

Mining Lease - dated August 17, 1970
between Herbert Davault & Grace Davault
lessors, and Glen E. & Thelma Davis, lessees.

Consent to Assignment dated Sept. 21, 1970

Mining lease Assignment dated March 15, 1971

from Glen E. and Thelma Davis to
Thomas Carter.

so
the Applicant is The Royal Nation Company
so
~~also~~ then the lease should be assigned
to the company by Thomas Carter
~~and~~ we need a document showing Carter &
Davis dba as The Royal Nation Company and

Mr. Carter has a lease on 1/2 of property

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of San Juan, State of Colorado,

described as follows:[2] Royal Charter Lode Mining Claim, No. 1710,

Little Nation Lode Mining Claim, No. 169A,

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

The Royal Nation Company [3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

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

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

Lease dated August 17, 1970 to Glen E. and Thelma Davis from Hebert and Grace Devault.

Lease dated April 2, 1971 to The Royal Nation Company from Glen E. & Thelma Davis

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

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

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

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

6. Added provisions _____ (State "None" or "See Annex No. ____".)

Dated this _____ day of _____, 19___.

Glen E. Davis (Seal) Glen E. Davis	7328 Forsyth	(Street)
	Clayton, Missouri 63105	(City & State)
Thelma Davis (Seal) Thelma Davis	7328 Forsyth	(Street)
	Clayton, Missouri 63105	(City & State)
Herbert Devault (Seal) Herbert Devault		(Street)
	New Florence, Missouri	(City & State)
Grace Devault (Seal) Grace Devault		(Street)
	New Florence, Missouri	(City & State)
_____ (Seal)		(Street)
		(City & State)
_____ (Seal)		(Street)
		(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____ (Corporate Seal)

5-12-72

Grounds for denial

Target sought is valued 65% in non eligible minerals Pb-Zn
" " " not continuous, occurs in small ore bodies (lenses)
distributed (at random?) sparsely along vein.
Max. avg. ore lens 12 ft long, 4 ft high, 6-3 ft wide
Grade is $40./ton, not high enough grade to ship, not
enough tonnage to build mill, no custom mill available
in near vicinity

			53.50
			.005
			267.50
			52.5

3.60	10.80	Zn	18
22.16	15.50	Pb	15.5
7.88	7.88	Cu	@ 52.5
	5.50	Ag	1.57
1.96			
.21	.54	Au	53.50
35.81	40.22		

13.92 = 34.6%
eligible

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5-16	Weeks	
5/16/72	Kirkemo	
5/16	Gsar	

MAY 16 1972

The Royal Nation Company
9731 Graystone Terrace
Rock Hill, Missouri 63119

Re: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lode
San Juan County, Colorado

Gentlemen:

Careful study of your application for financial assistance in exploring the Royal Charter and Little Nation Lode Claims and of other information available to us indicates the probability of disclosing significant silver-gold ore reserves is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that your application is denied.

We wish to thank you for your interest in the mineral exploration program.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: DRF
Mineral Resources
OME reading file
Region III
Mr. Kirkemo
Mr. Weeks
130

RWeeks:cac 5/16/72

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

May 12, 1972

Memorandum

To: The File

From: Robert A. Weeks, Office of Minerals Exploration

Subject: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lode
San Juan County, Colorado

Justification for Denial of Application

The applicant proposed to explore for continuations of mineralized vein or veins from which some 12,300 tons of ore have been produced by earlier mining operators. The proposed exploration program comprised rehabilitation of two existing tunnel levels to obtain access for diamond-drilling some 2000 feet from several underground drill sites at an estimated cost of $33,895.50.

The Field Examiner concluded on the basis of an on-site study of the accessible old workings and a review of the available geologic reports that the discontinuous nature of the ore-bearing portions of the veins, the relatively small size of the ore-bearing lenses, and the relatively low unit value of the ores likely to be found in comparison to the costs of mining and transporting the ores to a concentrator or smelter did not warrant an exploration program of this size. He recommended that the application be denied.

In addition, the consulting geologist retained by the applicant, for essentially identical reasons, recommended that the applicant not proceed with the proposed exploration.

A review of the information supplied by the applicant, by the Field Examiner, by the applicant's consultant, and by two other geologists of the U. S. Geological Survey who have had extensive experience in

the region indicates that the vein or veins developed in this mine are not continuously mineralized. The ore lenses tend to be quite small, the largest seen was about 12 feet in length, up to 4 feet in heighth and up to 3 feet in thickness. The average grade of the 9,567 tons of production for which there are records was 0.01 oz. Au, 3.5 oz. Ag, 0.75% Cu, 5.0% Pb and 3.0% Zn. Approximate value of this ore, assuming 100 percent recovery, is about $40. per ton based on 1972 market values. About 65 percent of the value in such ore is in the lead and zinc content, and these are not eligible materials under the OME program. In addition, there is no custom mill in the near vicinity, and the cost of transporting the ores to a mill or smelter would be high.

For these reasons I concur with the Field Examiners' recommendation to deny the application.

Robert A. Weeks

Robert A. Weeks

cc: DRF
Mineral Resources
OME reading file
Region III
Mr. Kirkemo
Mr. Weeks

RWeeks:cac 5/12/72

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 28

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RECEIVED
MAY 11 1972

INITIALS	CODE
Cac	120
gla	130
	B Weeks
	120

May 10, 1972

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6843 (Au-Ag)
The Royal Nation Company
Royal Charter and Little Nation Lode
San Juan County, Colorado

Transmitted herewith is a Report of Examination on the subject docket by J. W. Hasler, The field examination and a study of the property indicates that the chances of discovering new reserves of gold and silver of economic grade and size are not good, because the ore lenses along the vein occur sporadically along strike and where they have been mined they are small and of low grade. It is recommended, therefore, that the application for financial assistance in minerals exploration be denied.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

UNITED STATES

DEPARTMENT OF THE INTERIOR

ROGERS C. B. MORTON, SECRETARY

U. S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6843 (Silver-Gold)

THE ROYAL NATION COMPANY

ROYAL CHARTER AND LITTLE NATION LODES

SAN JUAN COUNTY, COLORADO

By

J. William Hasler

Geologist

May 1972

On-site Ex.
report

Introduction and Summary

The Royal Nation Company, 9731 Graystone Terrace, Rock Hill, Missouri, applied to the Office of Minerals Exploration for financial assistance in minerals exploration, on the Royal Charter and Little Nation Lode claims, San Juan County, Colorado. The applicant proposed an underground drilling program from two of the mine tunnels estimated to cost $33,898.50.

The application was referred to the field and an examination of the property was made on August 18, 1971 by J. W. Hasler, R. G. Luedke, geologists, U. S. Geological Survey, and Mr. Elmer V. Reinhardt, consulting geologist, Grand Junction, Colorado, who represented the applicant.

Two of the mine tunnels were accessible for examination and one was not, however, the examination indicated that the ore-lenses along the vein in the Little Nation mine are irregular in length as well as vertically and that the ore in the veins is probably not of high enough grade to withstand present mining costs, and that the size of the ore bodies mined are small, plus the high costs for transportation of the ore to a mill and smelter for processing. Because of these unfavorable factors it is thought that a loan for exploration is not warranted at this time.

Recommendations

Results of a field examination of the Little Nation property show that the Transformer level did not penetrate the ore bearing portion of the vein, and that the Little Nation Vein lies southeast of the principal ring fault and lies in the ring fault zone associated with the Silverton caldera. The vein is structurally later than the principal ring fault but subsequent adjustments within the ring fault zone have offset the vein several times. As a result of these minor offsets there is a distance of some 100 feet that the Nation level workings were not on the vein. The vein contains largely quartz with some galena, sphalerite, chalcopyrite, pyrite, and minor amounts of silver and gold. Past production indicates that the ore shipped averaged about 11% combined copper, lead and zinc, with little silver and gold. This is not a high enough grade of ore to be considered economic at the present time. The ore lenses along the vein are discontinuous, both in horizontal and vertical dimensions and do not allow for ore bodies of large enough size to be mined economically. Because of these limiting and more or less unfavorable factors it is concluded that the chances of discovering large new gold, silver, copper, lead and zinc ore bodies on the Little Nation vein are not good. It is therefore recommended that the application be denied.

Location and Accessibility

The Little Nation mine is located less than half a mile southwest of Howardsville, San Juan County, Colorado in Sections 11 and 12, T. 41 N., R. 7 W. (4 miles up the Animas River Valley from Silverton, Colorado County Seat), and on the south wall about 700 feet above the valley floor at an altitude of about 10,200 feet above sea level. The Transformer and Charter levels of the Nation mine portals are accessible by 4-wheel drive vehicle over a narrow unimproved mine road.

History, Production and Ownership

Production from the Little Nation Lode started in the early 1900's with a production of about 12,300 tons of lead-silver ore. Some copper and gold were reported to be produced, and some zinc is recorded for the 1940's and early 1950's. A report by Knapp and Stewart to the U. S. Bureau of Mines indicates an average grade of 11% combined copper, lead and zinc with low gold and silver content. A review of the production tables enclosed in the application shows a tonnage shipped totalling 9,567 tons that has an estimated average grade of 0.01 oz. Au, 3.50 oz. Ag, 0.75% Cu, 5.0% Pb, and 3.0% Zn. This ore would gross $39.17 at current metal prices ($35.00 oz. Au, $1.52 oz. Ag, 0.52¢ lb. Cu, .1550¢ Pb, .1700¢ lb. Zn).

The applicant's rights in the land are shown by the applicant as follows:

(a) "Mr. Davis is one half owner of properties."

"Mr. Carter has a lease on the other half interest. The lessor, Mr. Devault, leased the half to Mr. Davis, who in turn assigned the lease to Mr. Carter." "A copy of the lease was attached to the application. The ownership is recorded in book No. 50 page No. 27 at the San Juan County Courthouse, Silverton, Colorado."

(b) "Little Nation Mine; U. S. Survey No. 169 A, Royal Charter Mine; U. S. Survey No. 1710."

"part of the Little Nation Mill Site and others close by"

"Mr. Devault's half interest will be purchased by royalties as per the lease agreement. A bond will be purchased if at all possible."

The applicant's rights in the land and interest as shown above were not clearly supported, consequently the applicant was requested to submit the following documents:

1. Copy of the lease showing the 1/2 interest of Mr. Carter.

2. A document is needed showing Mr. Carter and Mr. Davis, partners, d/b/a The Royal Nations Company, the applicant.

3. Documents assigning the 1/2 interest in the property of Mr. Carter and of Mr. Davis to the Royal Nation Company.

4. Lien and Subordination Agreements executed between Herbert Devault and Grace Devault and The Royal Nation Company.

5. A claim or property map showing the boundaries of the project area.

The applicant itemized the data requested and supplied the documents, which were received in this office May 13, 1971. Included is a copy of the letter, however, as a result of the mine examination, indications are that the property does not warrant exploration work at this time therefore the additional data is not included in the report of examination.

Financial Eligibility

The applicant indicated that Mr. Thomas J. Carter would furnish The Royal Nation Company's portion of the exploration cost, and that it would be a part of the Partnership Agreement, and that funds from Mr. Carter would be raised by using cash in the bank, savings account and savings certificates, as well as listed securities that could be sold or put up for loan.

Recommendation for denial of the application will not require Mr. Carter to obtain money for an Office of Minerals Exploration loan.

Geology

General

The Little Nation mine lies in the South Silverton mining area in the western part of the San Juan Mountains, and the vein system occurs in the Burns quartz latite of the Silverton volcanic series,

and structurally lies within the so-called ring-fault zone related to the subsidence of the Silverton Caldera, a roughly elliptical basin that formed in Middle Tertiary time. One of these areas of subsidence, about 8 to 11 miles, more or less elliptical in outline, and bounded by faults, lies at the north edge of the south Silverton area. The rocks within 2 or 3 miles of the southern periphery of the subsided block are broken by fractures that controlled ore deposition. The forces causing fracturing are believed to have acted radially from the subsided block.

Three systems of fractures were formed. The first is a system of unmineralized concentric fractures and dikes that are parallel to the border of the subsided block. The second, or western shear system, included a group of mineralized northwestward trending shear fractures and some andesite or latite dikes, a group of unmineralized complementary northeastward-trending shear fractures, and a group of very productive north-northwestward trending tension fractures. The third, or eastern shear system, included a group of arcuate granite porphyry dikes and a group of productive northwestward-trending veins along the eastern border of south Silverton area. See Figure 11, U.S.G.S. Professional Paper 378-A, Geology and Ore Deposits of the South Silverton Mining Area, San Juan County, Colorado by J. D. Varnes.

The Little Nation mine is developed along discontinuous and overlapping veins trending N. 50° W., and dip steeply east, and are offset a few inches along the vein by northeast fractures. The vein probably has not been followed southerly beyond the major northeast-trending ring faults of the Silverton Caldera to determine whether they are cut off or even continue but with offset.

The country rock consists of thin to thick porphyritic lava flows and flow breccias in the Burns Formation. There is a small local intrusive body near the mine. All the country rock has been altered but locally very intensely. However, similar to the rest of the area, large low-grade disseminated-type deposits are unlikely, particularly those occurring in the so-called underlying sedimentary rocks; in this locality the latter is absolutely out of the question. The type of alteration present precludes the so-called chimney-type deposits like those of the Red Mountain Area.

Applicant's Proposal

The applicant proposes to clean out and rehabilitate both tunnels, straighten them out to allow setting up diamond drill equipment at the end of each tunnel, then complete a total of 2,000 feet of core drilling, from underground drill stations at the end as well as from 4 different stations between the mine portal and back of the mine. Some roadwork may be required to permit transportation of equipment to the upper or National Tunnel level. The sketch, accompanying the application, indicates that the drilling would be done from the Transformer tunnel and the Little Nation or the uppermost tunnel (Fig. 2). The estimated cost of the proposed exploration totals $33,895.50.

Examiner's Evaluation

The Little Nation property was examined on August 18, 1971 by J. W. Hasler, and Robert G. Luedke, Geologists, U. S. Geological Survey. They were accompanied by Mr. Elmer V. Reinhardt, Consulting Geologist, Grand Junction, Colorado, who represented the applicant.

The Charter level was badly caved at the time of the examination making an examination of these workings impossible; however, the Little Nation level was open and the vein on this level was very thoroughly examined. The Transformer level was open but very wet and little time was spent in it.

The geologic map of the Little Nation (Royal Charter) Mine, Plate 4, U. S. Geological Survey Professional Paper 378-A, shows that the Transformer level of the mine did not penetrate to the ore-bearing portion of the vein. (Fig. 1, included).

The Little Nation Mine is located a half mile southeast of the principal ring-fault, and lies within the ring fault zone. The vein is later than the principal movement on the ring-fault but adjustments later than the vein have made frequent offsets of a few inches to a few feet. Four or five such offsets were observed during the mine examination. The miners drove ahead in a straight line for some 30 or 40 feet, and the vein came in again from the right hand side, or the southwest wall of the tunnel. Hence, there are at least 100 feet of the Nation level not driven on the vein.

The bearing of the vein is about S. 50° E. and dips steeply

to the northeast. The vein shows two generations of mineralized material: The first was the creation of a barren quartz vein ranging in width up to 7 feet. The second was the reopening of the quartz vein on its southwest, or footwall side and the introduction of a different type of quartz accompanied by galena, sphalerite, chalcopyrite and small quantities of silver and gold. This second vein ranges in width from 0 to 3 feet.

The ore lenses along the vein are discontinuous both horizontally and vertically, with the maximum observed length of the ore lense being 12 feet and the maximum height observed in the ends of the stopes being 4 feet.

An examination of the stope fills indicated that the stopes were worked on the cut and fill system, the lenses of ore having been broken separately and thrown down a cribbed chute and the barren parts of the vein used as fill.

The report by Knapp and Stewart to the U. S. Bureau of Mines indicates an average grade of 11% combined copper, lead and zinc with a low gold and silver content. The consulting geologist, Mr. Reinhardt, points out that this is about the same grade of ore that Standard Metals produces from the northern rim of the caldera, but their veins are large and consistent plus the fact that Standard Metals owns their own mill nearby. Because of the small size, nature, and the low grade of the ore lenses in the Little Nation mine plus the fact that when the ore is mined costs for transportation to a suitable mill, coupled with higher milling costs it is indicated

that the mineralized material would not be of ore grade, and the shipping of the concentrates to a distant smelter would serve to make the mineralized material even less economic. Due to these limiting and unfavorable factors it is recommended that the application be denied as the likelihood of discovering sizeable new ore bodies of silver and gold in the Little Nation Mine are not good at this time.

Little Nation Mine

Tunnel System

Exploration By Core Drilling

As indicated

#1 TRANSFORMER TUNNEL

#2 MAIN LEVEL TUNNEL

#3 LITTLE NATION TUNNEL

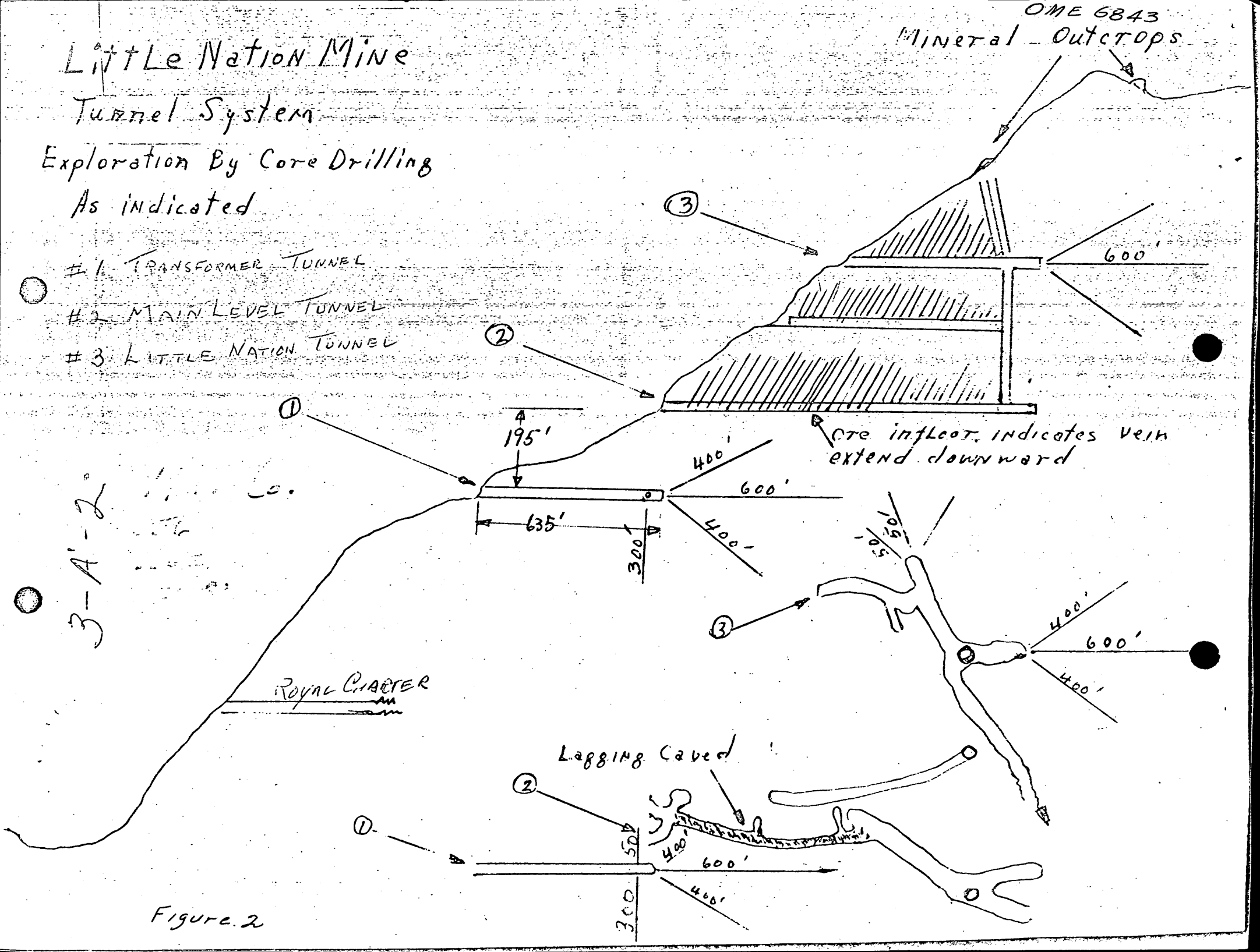

Figure 2

E ROYAL NATION COMPANY
9731 Graystone Terrace
Rock Hill, Mo.
63119

Office Region III
RECEIVED
MAY 13 1971

United States
Department of The Interior
Geological Survey

Re: OME-6843 (Silver-Gold)
The Royal Nation Co.
Royal Charter and
Little Nation Lodes

Gentlemen:

Referring to your letter of April 13th asking for additional information to supplement our application for financial assistance.

1. (c) Copy of Mr. Carter's financial statement showing that our portion of the exploration cost can be raised, by the cash in the bank, $1,054.23; savings accounts and saving certificates, $7,958.00; and listed securities that can be sold or put up for a loan, $4,429,00.

2. (a) (1) Copy of lease from Herbert and Grace Devault to Glen E. Davis and Thelma Davis. The assignment of the lease to Thomas Carter from the Davis'. The assignment of the lease from Thomas Carter to The Royal Nation Company.

(2) Copies of the Partnership Agreement between Thomas J. Carter and Glen E. Davis, forming the "The Royal Nation Company".

(3) Mr. Davis is half owner of the property and has leased his portion to The Royal Nation Company, the lease is dated April 2,1971. Copy of the lease is attached.

(4) The Royal Nation Company now has leased the mining property inits entirety.

Subordination Agreement is attached. It is signed by Mr. & Mrs. Devault and Mr. & Mrs. Davis, the owners of the property.

(5) Attached is a map that outlines the claims involved.

3. (b) In August 1957 Mr. Davis purchased the mines from Mr. Devault and a third party. After the purchase Mr. Davis sold one-half interest to Mr. & Mrs. Devault on or about August 21, 1957. The mines have not been worked since their ownership.

7. (a) Attached are copies of letters outling the drilling cost and also geologist services. It seems that our estimates of cost are in line with their letters.

Thank you for further consideration and hope the attached information is what you desire.

Sincerely,

Thomas J. Carter

Thomas J. Carter, Partner
The Royal Nation Company

RECEIVED
SEP 30 1971
Denver, Colorado

ELMER V. REINHARDT
CONSULTING GEOLOGIST
POST OFFICE BOX 1114 - PHONE 242-3232
GRAND JUNCTION, COLORADO 81501

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OME 6843 (Hg-Au)

September 25, 1971

Mr. Thomas J. Carter, President
Royal Nations Mining Company
9731 Graystone Terrace
Rock Hill, Missouri, 63119

Dear Mr. Carter,

This is in reply to your letter of September 3.

There is no assurance that Standard Metals will continue to operate. They have declared themselves bankrupt and are in the hands of receivers who are attempting to pay the company's indebtedness from The Silverton operation. The bankruptcy results, not from the Silverton operation but from losses incurred in bad investments - one in cosmetics and the other in a mine in Arizona that did not develop as well as the initial drilling indicated.

Some months the Silverton Mine gives a loss; other months, it nets as much as $30,000.00 depending on the pockets of gold ore that are occasionally found in the vein. When the gold is down, they break even or experience a loss. The average net is about $150,000.00 a year and they hope to cover all debts and come out of bankruptcy in the course of a few years.

Their ore is of about the same grade as yours (10% combined copper, lead and zinc); their vein is mined about 14 feet wide but yours is 2 to 3 feet wide; their vein produces a consistent grade of ore over lengths of hundreds of feet but yours bears lenses over lengths of 15 or 20 feet; their vein contains intermittent pockets of high grade gold-ore, but, to my knowledge, yours does not; they have their own mill but you do not nor is it likely that you can develop a sufficient tonnage of ore to justify the construction of one.

At the time Charles Chase was operating the mill as The Shenandoah-Dives, it was set up to receive and sample custom-ore. Standard has never gone into the custom-milling business and it is almost a certainty that, after 25 years of disuse, Chase's sampling equipment would require extensive repairs and replacement. Standard is not in a financial position at this time to pay for these repairs. It is doubtful that they would be able to take your ore.

In view of the foregoing adverse circumstances, I am convinced that The Little Nations Mine should await far better prices for lead and zinc than those prevailing at present.

Yours very truly,

E. V. Reinhardt

E. V. Reinhardt

cc - Mr. J. William Hassler

EVR:gw

ELMER V. REINHARDT
CONSULTING GEOLOGIST
POST OFFICE BOX 1111 PHONE 242-3232
GRAND JUNCTION, COLORADO 81501

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August 27, 1971

OME Region IV
RECEIVED
SEP 3 - 1971

Mr. Thomas Carter, President
Royal Nation Mining Company
9731 Graystone Terrace
Rock Hill, Missouri - 63119

OMB6843

Dear Mr. Carter,

I spent August 18 in company with J. William Hassler and Robert Luedke examining the Little Nations property near the mouth of Cunningham Gulch about 3 miles northeast of Silverton, Colorado.

We found the Charter level caved; the Nation level was open and was thoroughly examined; the Transformer Level was open but very wet and little time was spent in it. The map of The Little Nations workings accompanying Professional Paper 378-A, by David J. Varnes, entitled "Geology and Ore Deposits of the South Silverton Area, San Juan County, Colorado" shows that The Transformer level of the mine did not penetrate to the ore-bearing portion of the vein and that nothing would be found by a careful examination of the level except a small quartz vein containing some pyrite.

Geology

An area about 20 miles long from east to west and 10 miles wide from north to south has dropped or is depressed about 2400 feet relative to the surrounding country. The depressed area is known as The Caldera and it is surrounded by a series of ring-faults extending all the way around it. The Little Nations is located a half mile southeast of the principal ring-fault and lies within the ring fault zone. The vein is later than the principal movement on the ring-faults but adjustments later than the vein have made frequent offsets of a few inches to a few feet. Four or five such offsets were observed and in each instance, the miners drove ahead in a straight line for distances of 30 or 40 feet and the vein came in again from the right hand or S.W. wall of the tunnel. Hence, there are at least 100 feet of the Nations level not driven on the vein.

The bearing of the vein is about South 50° East and the dip is steep to the northeast. The vein shows two generations of mineralization: The first was the creation of a barren quartz vein ranging in width up to 7 feet; the second was the reopening of the quartz vein on its southwest or foot-wall side and the introduction of a different type of quartz accompanied by galena (Lead sulphide), sphalerite (zinc sulphide), chalcopyrite (iron-copper sulphide) and small quantities of silver minerals and gold. This second vein ranges in width from 0 to an observed maximum of 3 feet.

Discussion of the Worth of the Property

These ore-lenses are discontinuous both horizontally and vertically. The maximum observed length of a lens was 10 or 12 feet and the maximum height observed in the ends of the stopes was 4 feet.

OME R
RECE
SEP 3 -
Denver, Colo

An examination of the stope-fills indicated that the stopes were worked on a cut and fill system, the lenses of ore having been broken separately and thrown down a cribbed chute and the barren parts of the vein used as fill.

The report by Knapp and Stewart to the Bureau of Mines indicates an average grade of 11% combined copper, lead and zinc with a low gold and silver content. This is about the same grade of ore that Standard Metals produces from the northern rim of the Caldera but their veins are large and consistent and they have their own mill. They are not making a big return considering a payroll of 150 men. The ores of The Coeur d'Alene district in northern Idaho average about 7% lead and 8 or 9 ounces of silver. The veins are very large and consistent and they own their own mills and one of the mines has its own smelter. They employ 2000 or 3000 men and clear a handsome profit.

With a small vein, inconsistently mineralized, without your own mill and with the smelters at distant points requiring a high freight-cost to ship the concentrates, a great doubt arises that you or anyone else can make the Little Nations pay at this time.

I, therefore, strongly recommend that you withdraw your application for the OME loan and relinquish your lease. It will save you a lot of grief and money.

I am enclosing my statement.

Yours very truly,

E. V. Reinhardt

E. V. Reinhardt

Encl.

EVR:gw

cc - Mr. Hassler

OME Region III
RECEIVED
SEP 8 - 1971
Denver, Colorado

Sample cut from base of Nation's level, 2-1/2 feet wide:

Gold	Silver	Copper	Lead	Zinc
.005 oz.	1.25 oz.	0.75%	7.15%	1.00%

COPY
O. M. E.
RECEIVED
AUG 16 1971
INITIALS CODE
cc 120 NW
~~A30~~
HK ~~A30~~

Office of Minerals Exploration
Building 53 Room 28

August 11, 1971

Mr. E. V. Reinhardt
P. O. Box 1114
Grand Junction, Colorado 81501

Re: OME-6843 (Silver-Gold)
Royal Nation Company
Royal Charter and Little Nation Lode
San Juan County, Colorado

Dear Mike:

Enclosed is some of the material included in the application for financial assistance from the Royal Nation, for whom you are consulting.

My present plans are to leave Denver Monday, August 16, 1971, and arrive in Grand Junction that evening. We will make an interim inspection on the Joseph Desloge exploration work on Tuesday, August 17th, then make a field examination on the Royal Charter and Little Nation Lode, near Howardsville, Colorado on August 18, 1971. Bob Luedke of the U. S. Geological Survey may accompany us on the inspection, if he can fit that day into his schedule.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Enclosure

cc: Chief, OME
OME-6843
OME chron
Mr. Hasler
Mr. Emerick

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

June 16, 1971

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O. M. E.
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JUN 21 1971
INITIALS CODE

Memorandum

To: J. W. Hasler, Field Officer, Region III, Office of Minerals Exploration

From: D. J. Varnes, Engineering Geology Branch

Subject: Application OME-6843, Royal Nation Company, for exploration on Royal Charter and Little Nation Lodes, San Juan Co., Colorado

I can add nothing factual beyond what is contained in my map of this mine (plate 4) and short description in Prof. Paper 378-A, which apparently predates the last work in the mine.

The sketch map submitted by the applicant is not only crude but erroneous compared with the base map prepared by Wilfley that I used. It cannot aid in forming a judgment of the merit of the application. The lines on the sketch plan and section indicating proposed drilling cannot be interpreted and they certainly do not aim for any specific objective.

The ring-fault zone is tricky country. I would urge that geological examination and better definition of objectives be required of the applicant.

MME Form 7
(2/63)

5/26/71

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MAY 27 1971

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lodes
San Juan County, Colorado

The subject application is referred to you for review, a field examination if warranted, and recommendations.

The Applicant has furnished all of the information requested in our letter of April 13, 1971. Only one copy of the Lien and Subordination Agreements was submitted and it needs to be revised to be acceptable. The answer for the description of the claims should follow instructions in footnote 2(a) or (b), item 6 should be answered, and the date inserted. However, unless you are going to recommend a contract, I suggest that you not ask for a revised agreement at this time.

A poor copy of a claim map was received, but the location of the proposed work is not shown.

Enclosed is a copy of a geologic appraisal of the mine by Robert G. Luedke. Note that he recommends that Dave Varnes, USGS, Denver, be consulted about the property as he has mapped the area.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 5-26-71

MME Form 7
(2/63)

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Date	Surname	Code
5/26/71		120
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		120M

AIRMAIL

The Royal Nation Company
9731 Graystone Terrace
Rock Hill, Missouri 63119

MAY 27 1971

Re: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lodes
San Juan County, Colorado

Gentlemen:

Thank you for your letter of May 20, 1971, and the attached statement regarding the Partnership Agreement.

Your application for financial assistance to explore the subject claims has been reviewed by the Washington Office and referred to Mr. J. W. Hasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Room 203, Building 53, Denver Federal Center, Denver, Colorado 80225.

The Field Officer will notify you if additional information is needed.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 5-26-71

Copy to Region III

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242
Building 10

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O. M. E.
RECEIVED
MAY 25 1971

INITIALS	CODE
gla	130
CL	120
HK	120

24 May 1971

Memorandum

To: Harold E. Kirkemo, Chief, Office of Mineral Exploration

From: Robert G. Luedke RGLuedke

Subject: Geologic appraisal of the Little Nation mine, San Juan Mountains, Colorado (OME Docket # 6843)

The Little Nation mine is located less than half a mile southwest of Howardsville, San Juan County, Colorado (4 miles up the Animas River valley from Silverton, County seat), and on the south wall about 700 feet above valley bottom at an altitude of about 10,200 feet. The mine consists of 3 levels (Transformer - lower; Charter-middle; Nation- upper); I do not know whether these levels may or may not be connected by raises or stopes.

Mining started in the early 1900's with the production of about 12,300 tons of lead-silver ore. Some copper and gold were reported to be produced, and some zinc is recorded for the 1940's and early 1950's.

This mine is developed along discontinuous and overlapping veins trending N. 50° W. (dip steeply east) and are offset a few inches many places along the vein by northeast fractures. The vein probably has not been followed southerly beyond the major northeast-trending ring faults of the Silverton caldera to determine whether they are cut off or even continue but with offset.

The country rock consists of thin to thick prophyritic lava flows and flow breccias in the Burns Formation. There is a small local intrusive body near the mine. All the country rock has been altered but locally very intensely. However, similar to the rest of the area, large low-grade disseminated-type deposits are unlikely, particularly those occurring in the so-called underlying sedimentary rocks; in this locality the latter is absolutely out-of-the question. The type of alteration present precludes the so-called chimney-type deposits like those of the Red Mountains area.

The targets in the proposed drilling program, drilling up, down, or along the vein (and <u>in</u> it?), are not apparent. Tunnel work would seem the more logical to pick up presumed pockets of ore along weak discontinuous and faulted veins.

Some of the above information from U.S.G.S. P.P. 378-A. I urge that Dave Varnes in Denver be contacted concerning this property.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

May 14, 1971

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O. M. E.
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MAY 17 1971

INITIALS	CODE
glo	130
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: J. William Hasler

Subject: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lode Claims
San Juan County, Colorado

Transmitted are several documents submitted by the applicant in response to our letter of request dated April 13, 1971. They appear to be in order.

We have requested that the financial statement of Mr. Glen E. Davis be sent directly to you. Bob Luedke may be able to furnish us with information on the property as well as recommendations.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

Office of Minerals Exploration
Building 53 Room 200

May 14, 1971

The Royal Nation Company
9731 Graystone Terrace
Rock Hill, Missouri 63119

Re: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lode Claims
San Juan County, Colorado

Gentlemen:

Thank you for the additional information we requested in our letter to you of April 13, 1971.

We are forwarding this material to our Washington office for further processing of your application. However, it appears that a financial statement will be required also from Mr. Glen E. Davis. Would you please have Mr. Davis prepare one and send it directly to our Washington office.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME-6843
OME chron
Mr. Hasler
Mr. Emerick

JWHasler/mc/5/14/71

MME Form 7
(2/63)

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4/13	Case	220
		120M

APR 13 1971

AIRMAIL

The Royal Nation Company
9731 Graystone Terrace
Rock Hill, Missouri 63119

Re: OME-6843 (Silver-Gold)
The Royal Nation Company
Royal Charter and Little Nation Lodes
San Juan County, Colorado

Gentlemen:

Preliminary review of your application for financial assistance in exploring the subject property indicates that before we can continue its processing, additional information is needed on several of the items listed on the back of the application form.

Under item 1(c) you state that your share of the exploration costs will come from borrowings on savings certificates and stocks. Would you please furnish us copies of your financial statements.

✓ Carter will furnish funds Only Carter's financial statement needed ✓ Furnished O.K.

The interests in the land under item 2(a) are not clearly supported in the application. The following documents should be submitted in further support of your land rights:

1. Copy of the lease showing the 1/2 interest of Mr. Carter. ✓ O.K.

2. A document is needed showing Mr. Carter and Mr. Davis, partners, d/b/a The Royal Nations Company, the applicant. ✓ OK

3. Documents assigning the 1/2 interests in the property of Mr. Carter and of Mr. Davis to The Royal Nation Company. ✓ OK

4. Lien and Subordination Agreements executed between Herbert Davault and Grace Davault and The Royal Nation Company. needs to be revised

5. A claim or property map showing the boundaries of the project area. ✓ shows claims but not the location of the proposed exploration work.

Under item 3(b) of the application the statement is made that "Mr. Davis purchased the mines after operations stopped in 1958." Would you please clarify the statement.

If any contract work is planned it will be necessary that you submit bids from three companies if possible, as indicated under item 7(a).

This request for additional information should not be construed as a committment by the Government to grant an exploration contract. We shall hold your application in our active file pending receipt of the data requested.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME reading file
Mr. Emerick
Region III

WLEmerick/bsl 4/13/71

April 8, 1971

The Royal Nation Company
9731 Graystone Terrace
Rock Hill, Missouri 63119

Subject: OME-6843

Gentlemen:

Your application for exploration assistance, dated April 2, 1971, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6843.

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

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region III

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
DOCKET 6843

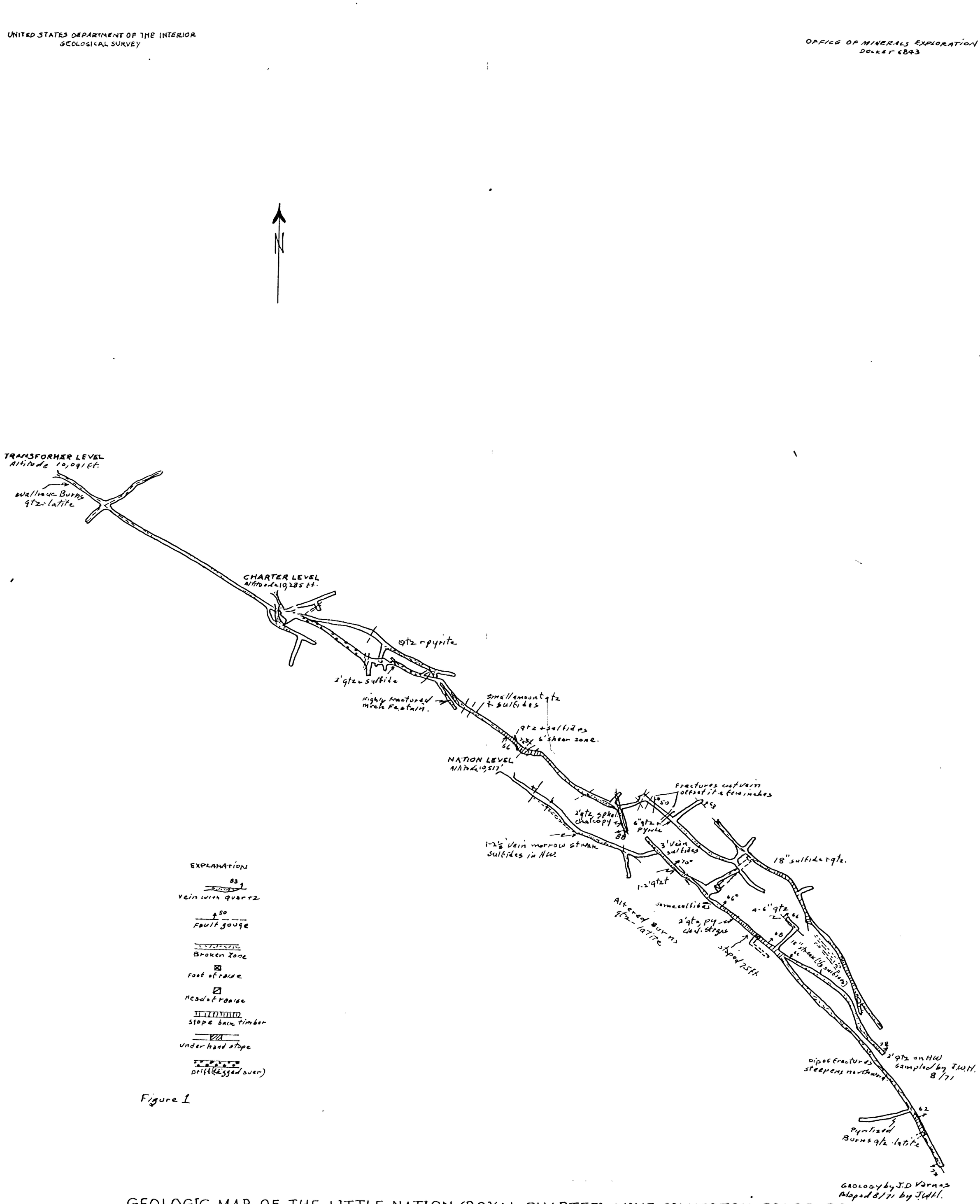

Figure 1

GEOLOGIC MAP OF THE LITTLE NATION (ROYAL CHARTER) MINE, SILVERTON, COLORADO