TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 31st day of July, 1952, between the United States of America, acting through the Depatment of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Rhode Island Mining Co.
Box 500
Wallace, Idaho,
hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 101, Docket No. DMEA-1505X, dated August 7, 1951, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

By G. E. Weissenborn
Exec. Officer DMEA Field Team, Region II

Rhode Island Mining Co.
(Operator)

By _____
President

18262-1

SCAN COVER SHEET ONLY

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

(Staple to Original Privilege Document or to copy of privilege document)

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0000773

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 7/31/52

Document Title: TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT AFTER COMMENCEMENT BUT BEFORE COMPLETION OF WORK

Document Author: A.E. WEISSENBORN

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

SCAN COVER SHEET ONLY

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

(Staple to Original Privilege Document or to copy of privilege document)

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0000773

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 6/19/51

Document Title: Rhode Island Exploration Program

Document Author: F. McIntosh Galbraith

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

RHODE ISLAND EXPLORATION PROGRAM.

The initial step recommended for exploring the Rhode Island property is to test the vein system below the present workings by diamond drilling from the surface. This is believed to be the least expensive method of attack, likely to give the quickest results, and consistent with reasonable dependability. Drilling conditions are thought to be nearly ideal, with firm ground and a good water supply. AX size is recommended for the project, although this could be reduced to EX later if results obtained from the early holes seemed to justify the change.

The Rhode Island vein, as exposed in the mine workings, strikes approximately north 50° west and dips southwesterly at 50 to 55°. It cuts sediments of the Prichard formation which appear to lie on the north limb of a gently plunging anticline whose axis is slightly overturned to the north; and the dip of the vein is probably somewhat steeper than the axis of folding. Although the mineralization in the existing workings is predominantly pyrrhotite, local occurrences of galena and sphalerite have been noted; and one such was followed by the winze connecting the No. 1 and No. 2 adit levels. Unfortunately, this shoot was cut off at the bottom of the winze by a flat westerly-dipping transverse fault; and no exploration has been done below this structure. The program of diamond drilling recommended here is planned to explore this general area to a depth of approximately 500 feet below the No. 2 adit level.

The diamond drilling would be done from two set-ups: one at the portal of the No. 2 adit, and the second some 250 feet farther

south along the access road. The attached cross section illustrates the situation; and it can be seen that four intersections are envisaged, to cut the vein at depths of from 100 to 500 feet below the lower adit level, totalling 1,500 feet. This is recommended as the basic minimum drilling program, but it should be modified and/or extended as results are obtained from each succeeding hole. The probable maximum would be represented by a duplication of essentially this same drilling both right and left of this section, and would amount to a total of 4,500 feet. Proposed locations are shown on the attached plan of the property.

F. McIntosh Galbraith

F. McIntosh Galbraith,
Consulting Geologist.

June 19, 1951.

SCAN COVER SHEET ONLY

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

(Staple to Original Privilege Document or to copy of privilege document)

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0000773

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 10/12/51

Document Title: MAP OF RHODE ISLAND MINE

Document Author:

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

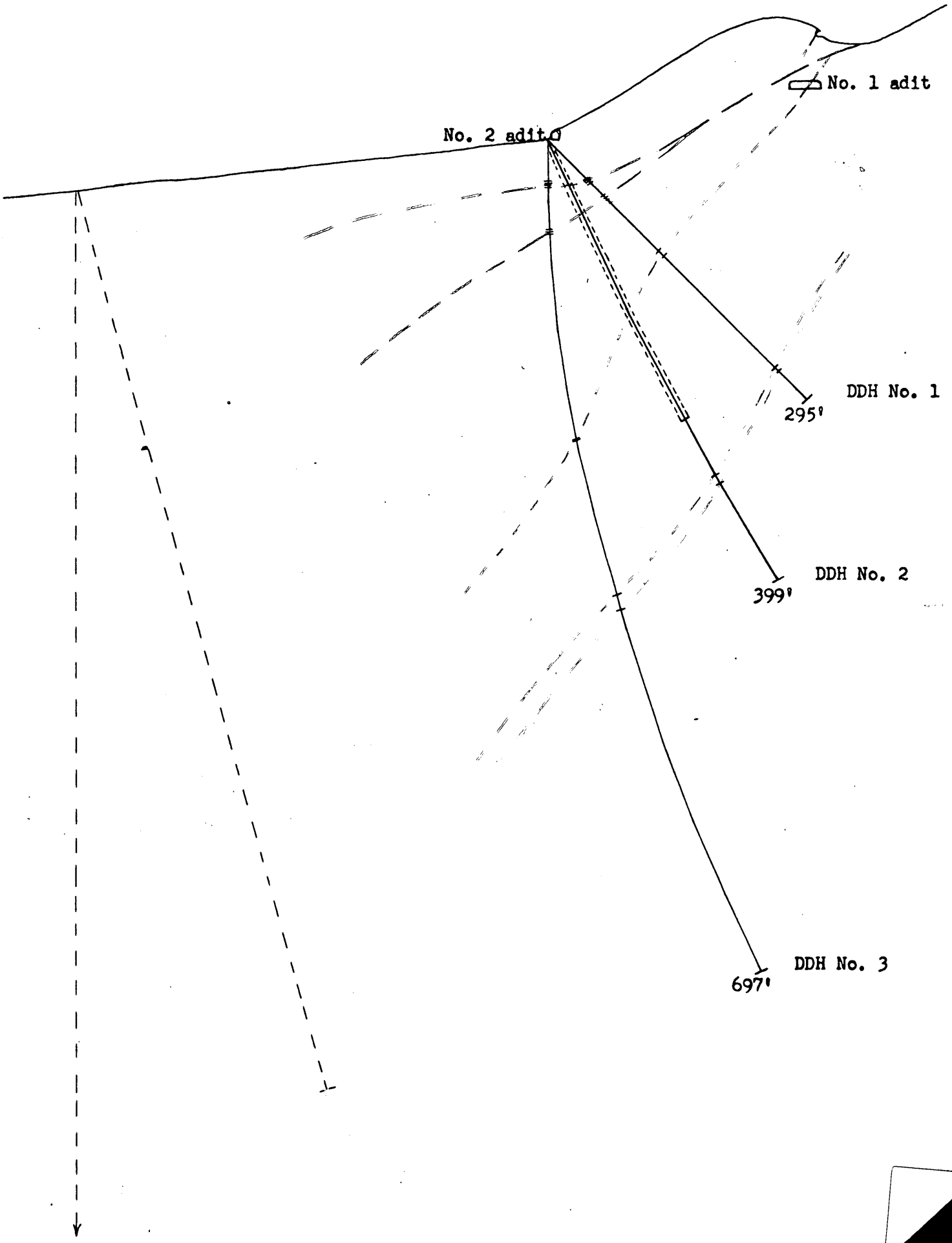
ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

LEVEL _____ MINE RHODE ISLAND DATE 10/12/51 BY FMG

SCALE 1 inch = 100 feet OPERATION Cross section showing diamond drill holes.



SCAN COVER SHEET ONLY

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

(Staple to Original Privilege Document or to copy of privilege document)

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0000773

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 12/22/52

Document Title: Final Report on Rhode Island Mining Company

Document Author: A. Weissenborn; M.E. Volin

Original Document Attached: Y (N)

If not attached, Original Document Current Location
(must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

[redacted]
So. 157 Howard Street
Spokane 4, Washington

December 22, 1952

Mr. Frank A. Johnson, Chairman
Operating Committee, DMA
Department of the Interior
Washington 25, D. C.

Re: Contract [illegible]
Mole Island Mining Company
Shoshone County, Idaho
Docket DMA-1505X (lead-zinc)

Dear Mr. Johnson:

Enclosed is a final report from S. W. Hobbs, U. S. Geological Survey, and E. G. Erickson, U. S. Bureau of Mines, on the subject contract. A final report from the Operator has been forwarded previously.

Seven diamond drill holes were drilled, all of which found structure. Drill hole 5 cut two feet of low grade vein material; none of the others showed more than a few specks of lead or zinc sulphide. There is therefore no basis for certifying a discovery.

By DMA Field Team, Region II

F. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. J. Volin, Member
(U. S. Bureau of Mines)

Enclosure

cc: USDM (2)
Hobbs

SCAN COVER SHEET ONLY

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

(Staple to Original Privilege Document or to copy of privilege document)

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSPO 0000773

File Owner: N. EADES

File Location: DOI - SOL, WASH DC

Document Date: 12/18/52

Document Title: FINAL REPORT ON COMPLETED EXPLORATION PROJECT PERFORMED ON THE RHODE ISLAND MINING ~~COMPANY~~ COMPANY'S BLACK PRINCE & HOMESTAKE MINING CO.

Document Author: G. HOBBS E. ERICKSON

Original Document Attached: Y (N)

If not attached, Original Document Current Location (must be segregated from other documents)

Type of Privilege:

ACC WP (CBI) DP (PI) Other

Reviewer:

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

[redacted]
No. 157 Howard Street
Spokane 4, Washington

December 18, 1952

Memorandum

To: DMEA Field Team, Region II

From: S. W. Hobbs, Geologist, U. S. Geological Survey, and E. G. Erickson, Mining Engineer, U. S. Bureau of Mines.

Subject: Final report on completed exploration project, Contract No. Ida-E1G1, Rhode Island Mining Company, Shoshone County, Idaho, Docket DMEA-1505X (lead-zinc).

The exploration work was performed on the Rhode Island Mining Company's Black Prince and Homestake mining claims, in Terror Gulch, Evolution mining district, Shoshone County, Idaho. The property is on the Terror Gulch road 2-1/4 miles up from its junction with U. S. Highway No. 10 one mile west of Osborn, Idaho.

SUMMARY, CONCLUSIONS, RECOMMENDATIONS

The drilling was successful in locating the structure in all of the holes except No. 6 and possibly No. 4 which intersected a fault zone that offsets the vein. The drilling thus has established the persistence of the vein to a depth of over 1300 feet down the dip (see cross section attached). Wherever cut, the vein is a strong structure containing 4 to 13 feet of quartz, carbonate and pyrrhotite. Invariably there is a minor amount of visible sphalerite and usually some visible galena. This persistence of minor zinc and lead sulphides encouraged the Operator to carry the project at least into Stage II in order to see what change in mineralogy might occur at greater depth.

In spite of the persistence of the mineralized structure, the general lack of lead or zinc minerals anywhere approaching commercial amounts and the inconclusive evidence that ore shoots of higher grade material might occur in the structure has dictated the closing of the project without making a discovery and with no recommendations for further work.

DESCRIPTION OF WORK COMPLETED

Drilling under the exploration project contract between the United States of America and the Rhode Island Mining Company, dated August 7, 1951, was started August 21, 1951.

A total of 3000 feet of drilling was authorized to explore for the possible downward extension of the Rhode Island vein. The drilling was to be done in two stages--the second stage contingent upon the first--and the total cost of the project was not to exceed $23,900 of which the Government would pay $11,950. The project was to be completed in 7 months.

Holes No's. 1, 2 and 3 were drilled from the same drill site at different angles of inclination (see attached cross section of drill holes). Although the first 3 holes failed to disclose commercial ore, results did encourage more drilling.

Another drill site was prepared and Hole No. 4 was drilled. The hole penetrated a fault zone which led to directing Hole No. 5 to intersect the vein at a higher elevation. Hole No. 5 disclosed the best results (a 2-foot vein containing 4.4 percent zinc) from the drilling program. Severe winter conditions forced a recess from January through April 1952.

The Operator's drilling contract was favorable and it was possible to drill more footage than was originally planned for less money. Therefore, on March 1, 1952, the contract was amended to extend the time to 14 months and to allow additional drilling to the extent possible with money remaining under the original contract.

Drilling was resumed in May 1952 with Hole No. 6, which had to be abandoned at 553 feet because it was deviating far from the desired course. It was decided that it would be cheaper and more satisfactory results could be obtained by drilling a new hole rather than trying to divert the course of Hole No. 6.

A new drill site was prepared, and the final hole, No. 7, was drilled. A total of 4,483 feet of hole was drilled under the contract. Work under the contract was concluded during the first week in July 1952.

The drill cores were boxed and shipped to the U. S. Bureau of Mines core library in Albany, Oregon.

DESCRIPTION OF GEOLOGY

Country rock in the area of the Rhode Island mine is Prichard formation--the lowest member of the sedimentary Belt series in the Coeur d'Alene district. The rocks are very fine-grained banded argillites with some minor interbedded impure quartzites. The bedding has a markedly different attitude on opposite sides of the vein as well as across the flat fault that cuts the vein at its east end in the No. 1 adit. The vein as exposed in the drifts and located in the drill holes has a general strike of N. 50° W. and a dip of 55° to 60° SW. It ranges from a few to 13 feet thick and comprises milky white quartz, carbonate, pyrrhotite--locally very massive--occasional specks of galena and sphalerite in small

patches, and stringers either in the vein or in the footwall. The sphalerite is clear and resin-colored and assumed to be relatively low in iron. As such it appears to be associated with later quartz and perhaps belonging to a phase of the mineralization considerably later than the ore responsible for the main ore deposits in the district. Similar relationships have been noted in other parts of the Coeur d'Alene metalogenic province.

The results of the project were negative and no discovery was made. Drill Hole No. 5 intersected 2 feet of vein material that assayed 4.4 percent zinc, but none of the other drill holes showed more than a few specks of lead or zinc sulfides.

EXPENDITURES

Cost tabulation:

Contract amount	$23,900.00
Government's participation - 50% or	11,950.00
Total sum expended on project through July 1952	19,076.22
Government's actual contribution to date	9,538.10
Government's share unexpended to date	2,411.90
Fund set up (should error be claimed)	187.50

Note: Vivian Brothers', diamond drill contractors, statement dated July 8, 1952, to the Rhode Island Mining Company was in error in the amount of $375.00. The statement contained the item "250'-371' BX size core bit @ $3.75 per foot - - - $78.75." This obviously is an error as only 21 feet at $3.75 equals the billed amount of $78.75. The error has not been called to the Operator's attention. A memorandum from Mr. Robert M. Hull, DMEA auditor, Region II, dated October 23, 1952, to the Certifying Officer states in part: "The final invoice is being passed as presented by the Operator. This matter will not be called to the Operator's attention and no action will be taken on the part of the Government to make an adjustment at this time.

"In the event that the Operator submits an additional form MP-104 for the difference and it is supported with adequate proof of payment, an adjustment may be made."

A fund of $187.50 has been left in the contract should the Operator make claim for error in statement mentioned above.

EFFICIENCY OF OPERATION

Cost breakdown:

Item	Cost/ft.	Feet of hole drilled	Total cost
Diamond drilling	$3.6562	4,483*	$16,390.83**
Supervision and technical services	.4238	--	1,900.00
Miscellaneous ***	.1752	--	785.39
Total	4.2552	4,483*	$19,076.22

* Includes 675 feet BX; 3,427 feet AX, and 383 feet EX drilling.

** Includes hole surveying $200.29; cementing and reaming $637.44; lost casing $29.59.

*** Includes drill site preparation $340.00; assaying and sampling $199.80; core boxes and sundry supplies $245.59.

The diamond drilling was performed by a competent independent contractor and the operation was supervised by the Operator's representative. The supervisor made core boxes, boxed cores, took samples and kept daily operating data.

Technical services were rendered by Mr. F. M. Galbraith, a local geologist.

The project was efficiently operated as is reflected by the costs and performance.

EQUIPMENT PURCHASED FOR CONTRACT

None.

S. W. Hobbs, Geologist

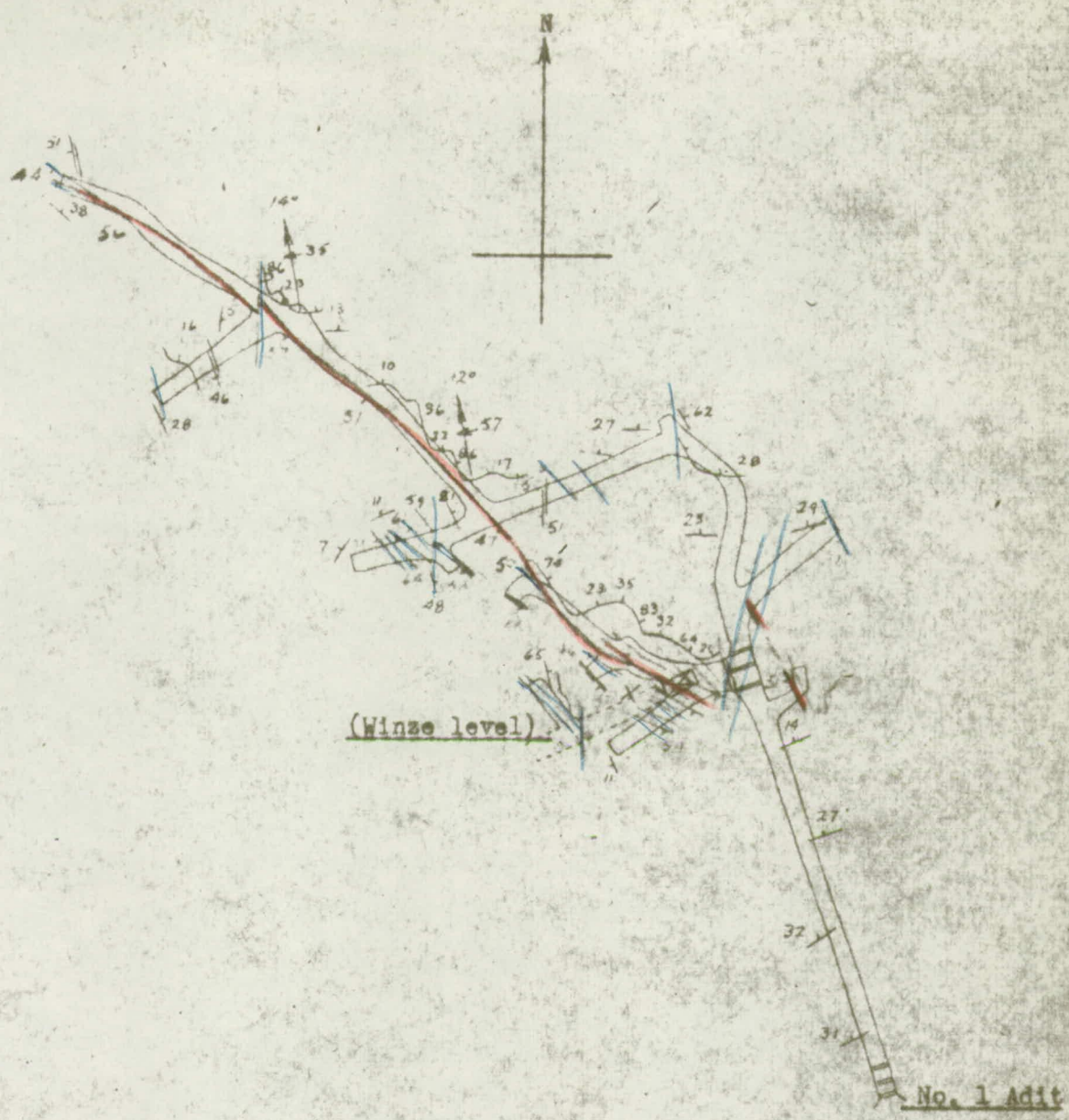
E. G. Erickson, Mining Engineer

Distribution
DMEA (Orig. & 3)
USBM (2)
Hobbs
Docket

SWH/EGE/iml

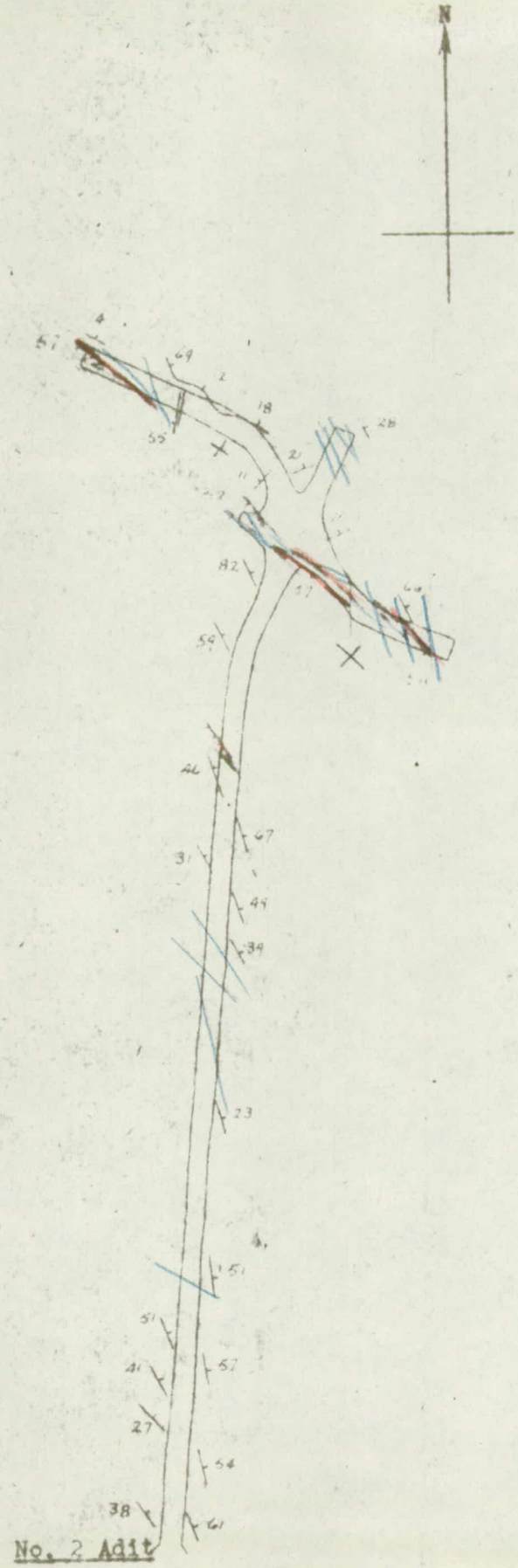
LEVEL No. 1 Adit MINE Rhode Island DATE 5/28/51 BY FMG

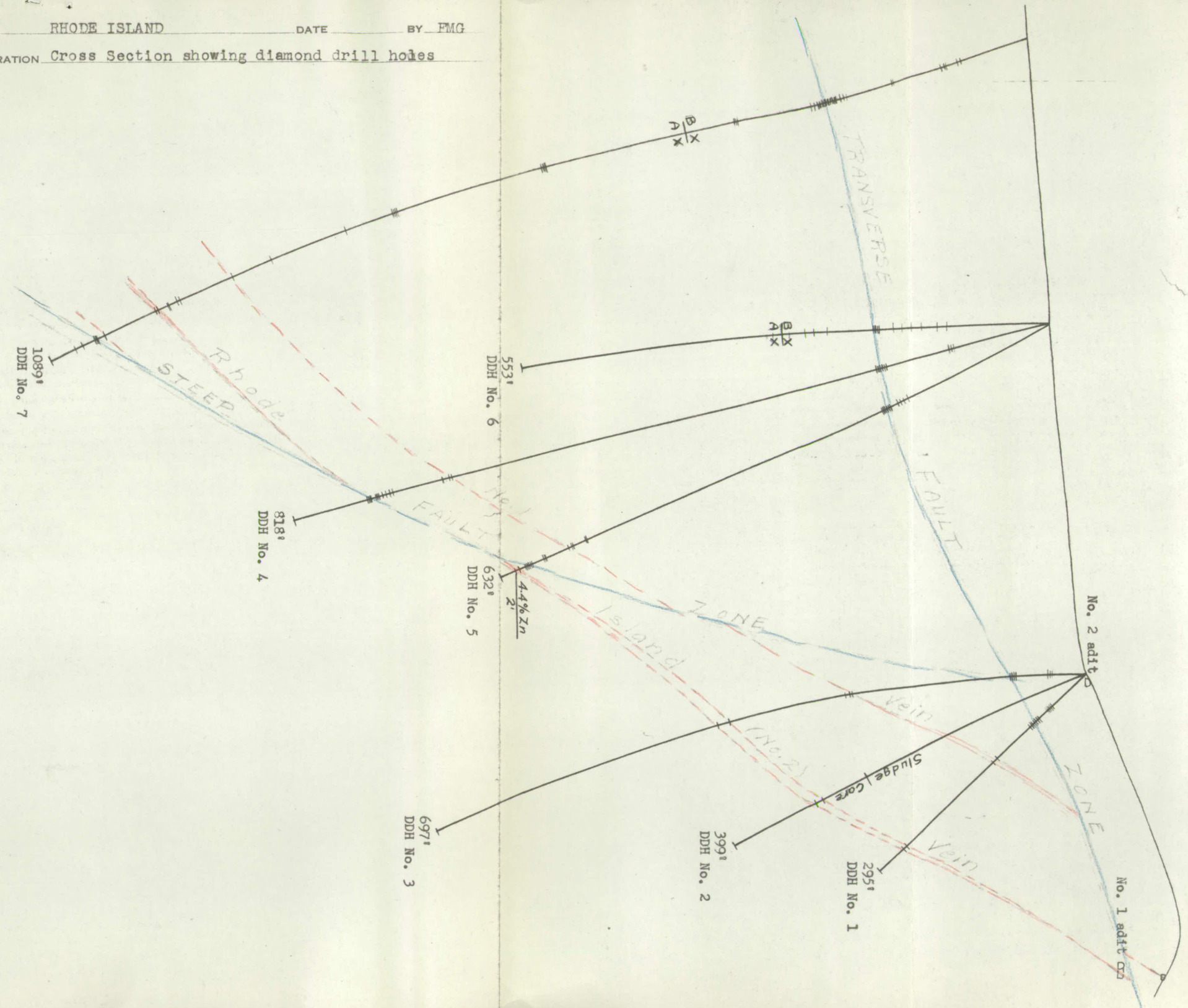
SCALE 1 inch = 50 feet OPERATION Geological Level Plan



LEVEL No. 2 Adit MINE Rhode Island DATE 5/28/51 BY FMG

SCALE 1 inch = 50 feet OPERATION Geological Level Plan



LEVEL _____ MINE RHODE ISLAND DATE _____ BY FMG

SCALE 1" = 100' OPERATION Cross Section showing diamond drill holes