UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1936 x

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

- ✓ Certificate of Audit (Final).
- ✓ Interim Audit(s).
- ✓ Report of Review.
- ✓ Termination Notice or Agreement.
- Recision Notice.
- Assignment of Contract.
- ✓ Contract Amendments (latest on top).
- ✓ Contract with all exhibits and annexes.
- Owner's Consent to Lien.
- ✓ Subordination Agreement.
- ✓ Leases and assignments of leases.
- ✓ Application and attachments.
- Schedule of Collections.
- ✓ Operator's monthly reports and all attachments (latest on top).

Right Side

- ✓ Project summary.
- ✓ Work completed analysis.
- ✓ All other material is filed in chronological order with correspondence including the following reports as checked:
- ✓ Final Field Team Report. (Tab)
- Operator's Final Report.
- ✓ Interim Reports.
- ✓ On-site Exam Report(s). (Tab)
- Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

Reviewer's Initials E. Lagum 1/57

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of the

Sun Valley Lead-Silver Mines, Inc.,

Ketchum, Idaho

pertaining to Exploration Contract No. Idm-E 160 and Amendments 1, 2 and 3; Docket No. DMA 1936, for the period of December 1, 1951, through June 30, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to amount to be paid the contractor:

Total Cost as billed by Contractor	$10,525.84
Exceptions prior to this audit	207.31
Total Accepted Cost	$10,318.53

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Five Thousand, One Hundred Fifty Nine and 26/100 Dollars

$5,159.26

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Robert M. Hull
Auditor

August 19, 1952

I INTRODUCTION

An audit was made on August 1, and 2, 1952, of Defense Minerals Exploration Contract No. Idm-E 160 and Amendments 1 through 3, Docket No. DMA 1936, Sun Valley Lead-Silver Mines, Incorporated. The records pertaining to this contract are in the office of the Sun Valley Lead-Silver Mines, Incorporated, at Ketchum, Idaho. The audit covered the period of December 1, 1951, through June 30, 1952. The operations were closed during the period of January 1 through April 20, 1952, due to inclement weather. The Secretary-Treasurer, John R. Thornton was present and consulted when necessary.

II EXTENT AND SCOPE OF AUDIT

1. Labor

The payrolls and supporting data for the period December 1 through December 31, 1951, and April 22 through June 30, 1952, were examined and computed for accuracy. The daily mine report, signed by the shift boss, reports the time of various employees in lieu of individual time cards. The time book is maintained from this information with regard to hours worked, regular time, overtime and location. The time book is turned into the Secretary on the first and fifteenth of each month and the payroll ledger book is then set up for the corresponding period. The payroll Ledger shows the names and social security number of all employees with the number of deductions allowed for the withholding tax (withholding tax form filed separately) the rate for regular time and the hours worked and the rate for overtime and the hours worked. The payroll check

number is also included. All checks are signed by the Secretary-Treasurer and countersigned by the President-General Manager, R. L. Roundy. The rates of pay were those set forth in the contract and Amendment No. 1, dated October 9, 1951.

2. Supplies

The records covering the purchase and issue of supplies were examined. The receipted purchase invoices were checked, the items contained thereon extended, and the invoices footed and then compared with the amounts on the cancelled checks. The purchase invoices are filed by suppliers but in no systematic order. The check number, upon which payment was made, is entered upon the invoice.

The record of supplies used is taken from the daily mine report. Then all of the supplies for a month are recorded on a work sheet giving the location and quantity used.

The operator claimed $165.83 more for explosives than shown on the vendors' invoices. This amount was disallowed.

3. Transportation

An amendment, dated February 14, 1952, authorized the transportation of employees to and from the site of the work not to exceed a maximum of $25.00 per month. The operator overstated this in the April 21-May 31, 1952, report by $8.98, which was not allowed.

III FINDINGS

The records maintained by the Sun Valley Lead-Silver Mines, Inc., were in fair condition and adequate. The work sheets

were set up in the same order as the Forms MF-104 and itemized. These sheets were maintained in pencil. The purchase invoices, bills and receipts were loose in the folders. However, they were filed by months. The cancelled checks are in order by months, but kept loose in a cardboard box. However, the charges claimed by the operator could be substantiated, with the exception of those previously disallowed.

IV RECOMMENDATIONS

As a result of this audit, no exceptions are taken. The costs are reasonable and proper and are within the terms of the contract and amendments. Several errors had been discovered previously by the Field Team and these had been disallowed. The audit certificate prefacing this report reflects the total amount of costs properly chargeable to this project.

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

APR 30 1953

Mr. Robert N. Hall
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: DMEA-1936, Ida-X160
Sun Valley Lead-Silver Mines

Dear Mr. Hall:

The copies of your second interim Audit Report and Audit Certificate, covering the referenced project, which were submitted by your memorandum of April 24, 1953, are returned herewith for correction or revision as follows:

1. The total cost as billed by the Operator on the November 1952 MF-104 is $20,087.39 rather than the $20,087.39 indicated on your certificate and the Exhibit "A" of your report.

2. The November 1952 MF-104 shows costs claimed for Payroll Taxes of $443.96, whereas you state on page 6 of the report that the Operator claimed $443.76. Exhibit "A" of your report also lists $443.76 in the column headed "Totals Nov. 1952 MF-104."

3. On page 4 of your report you indicate that depreciation on the 500 cfm Compressor has been claimed and allowed for the month of December 1951, whereas Amendment No. 3 authorizing this item of cost was effective April 1, 1952. Also, the amendment states that the rate of $100 is "to be prorated ——— amount shown is maximum chargeable", but you have not indicated that the cost was prorated or the basis used.

4. During the January conference in Denver Mr. Talbert stressed the necessity of detailing and commenting upon all charges for supervision and technical services, yet in this Audit Report you merely mention on page 3 that the Supervision claimed and allowable is $3,062.84 without giving any details. This requirement for details appears particularly necessary in this case since Amendment No. 1, effective the date of the contract, indicates the salaries of a superintendent and a shift boss are allowable "in prorated amounts not to exceed $450.00 and $400.00 per month respectively" with the latter rate being raised to $425.00 by Amendment No. 2.

4. Your Audit Certificate indicates that it is "for the period of July 1, 1952 to November 30, 1952." This should be "for the period of December 1, 1951 to November 30, 1952", since you are certifying the costs for the entire period. The Certificate also should be headed "Second Interim Audit". Both of these points were discussed at the Denver conference.

5. On page 6 of your Report you indicate allowance of $183.33 for transportation as authorized by Amendment No. 2, but do not give any details as to the method used in determining the amount chargeable. Also, you do not indicate whether the charges are within the maximum of $25.00 per month established by Amendment No. 2.

6. In your Audit Certificate and on page 7 of your Report you have shown "Reinstatement of previous exception $19.46" without giving the reason for the original exception or your reason for determining that it was allowable. These reasons are doubly important in this case since the "Totals to date" claimed by the Operator do not include this amount and, in effect, you are raising the amount claimed.

I wish to reiterate at this time the importance of showing in all Audit Reports the status or application of all "allowable maximums" and all "not to exceed" amounts, which were the subject of considerable discussion at the Denver conference. This contract, as amended, contains the following "maximums", none of which has been mentioned in your Report:

Reopening and rehabilitating mine access road	$700.00
Depreciation allowance on 500 cfm Compressor	100.00/mo.*
Excavating portal site by bulldozer	304.00
Transporting employees to and from site	25.00/mo.
Superintendent	450.00/mo.*
Shift Boss	425.00/mo.*

*to be prorated.

During the Denver conference the matter of priority of audits was discussed. Mr. Talbert informed all auditors that highest priority should be given to terminated and completed contracts and second priority to contracts for which documentation requirements have been waived.

Since there are in Region II several completed and terminated contracts for which final audits have not been made, as well as a number of contracts on which documentation requirements have been waived and for which you have not made any interim audits, your reasons for making a "second" interim audit on this relatively simple contract are not apparent.

Will you please send me a list of all completed or terminated projects which have not been audited or reviewed. I would also like for you and Mr. Turner to review your audit program and indicate when an audit or review is planned for each completed or terminated contract. I would like to have this list and program at the earliest time possible.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
April 30, 1953

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Second Interim Audit Certificate

I have examined the records and transactions of:

Sun Valley Lead-Silver Mines, Incorporated
P. O. Box 57
Ketchum, Idaho

pertaining to Exploration Project Contract No. Idm-E160, Docket No. DMA 1936, for the period of December 1, 1951 to November 30, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor		$20,087.39
Exceptions per audit report	$12.18	
Reinstatement of previous exception	19.46	7.28
Total accepted cost		$20,094.67

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Ten thousand forty seven and 34/100 Dollars

$10,047.34

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

April 22, 1953

Robert M. Hull
Robert M. Hull, Auditor

I INTRODUCTION

On March 30 and 31, 1953 an interim audit (covering the period of July 1, 1952 through November 30, 1952) was made of the records and accounts of operations pertaining to Contract No. Idm-E160 and Amendments Nos. 1, 2, 3, 4 and 5, Docket No. DMA 1936, with

Sun Valley Lead-Silver Mines, Incorporated
(an Idaho Corporation)
P. O. Box 57
Ketchum, Idaho

covering a project of exploration for lead and zinc minerals.

The initial interim audit covered the period of December 1, 1951 through June 30, 1952.

The operations were closed during the period of December 1952 through March 31, 1953, due to inclement weather.

The accounting records under this contract are located in the Company's office at Ketchum, Idaho.

During the course of the audit Mr. John R. Thornton, Secretary-Treasurer of the Sun Valley Lead-Silver Mines, Inc., was present and consulted as required. Mr. V. Z. Johnson, U. S. Bureau of Mines Engineer, was also consulted. Their cooperation and assistance facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records maintained were adequate to properly account for the expenditures made for the exploration project. There was a general ledger as well as a payroll ledger. These records and the monthly work sheets maintained in the office of the company were sufficient to conduct a satisfactory audit.

The monthly form MF-104 submitted to the Certifying Officer had a certified payroll summary which included the payroll taxes. The other costs were detailed on a work sheet.

The source documents covering the costs of this project are recorded on monthly work sheets which form the basis for the preparation of the monthly MF-104 reports. Therefore, this audit involved in general a check of the source documents against the monthly work sheets and a reconciliation of the work sheets with the cancelled bank checks. The costs for the project were recorded on a cash basis.

The Sun Valley Lead-Silver Mines, Inc. is audited by Mr. Carl C. Leithe, CPA, 647 Peyton Building, Spokane, Washington.

III SCOPE OF AUDIT AND FINDINGS

A complete analysis of all expenditures was made in order to ascertain the accuracy, propriety, and validity of the costs as shown in the "Totals to Date" column of form MF-104, Operator's Monthly Report and Voucher, for the month of November 1952. The extent of the audit and the findings under each of the "Items of Cost" follow:

Labor and Supervision

The payrolls and supporting data for the period of July 1, 1952 through November 30, 1952 were examined and computed for accuracy. The daily mine report, signed by the shift boss, reports the time of the various employees in lieu of individual time cards. The time book is maintained from this information and is turned in to the Secretary-Treasurer for use in preparing the payroll which shows the name of the employee, classification, time worked, rates, amount earned, deductions

and net amount paid. The employees are paid by check signed by the Secretary-Treasurer and countersigned by the President-General Manager, Mr. R. L. Boundy.

The audit disclosed the costs shown under this item on the November 1952 MF-104, and allowable under the terms of the contract and Amendments Nos. 1 and 2, to be:

	Claimed	Allowable
Labor	$8,551.75	$ 8,865.01
Supervision	3,062.04	2,737.50
	$11,613.79	$11,602.51

The wages of the shift boss were reported under "Supervision" during December 1951, April 21-May 31, 1952 and June 1952. The Certifying Officer allowed these wages to stand during December 1951 and June 1952 under "Supervision." The wages for the period April 21-May 31, 1952 were redistributed by the Certifying Officer and included under "Labor" as were the wages for July-November 1952.

A discussion with the Chief, Mining Division, and DMEA Field Team Member, U. S. Bureau of Mines, Region II, resulted in transferring the wages of the shift boss to labor for the periods December 1951 and June 1952.

At no time did the salary of the shift boss exceed the amount of $425.00 per month allowable under the terms of Amendment No. 2, effective September 25, 1951, nor did the salary of the Superintendent exceed the allowable amount of $450.00 per month.

Superintendent			Shift Boss*	
$ 112.50	(1/4 mo.)	December 1951	$ 106.25	(1/4 mo.)
605.79	(1-1/3 mos.)	Apr. 21-May 31, 1952	572.15	(1-1/3 mos.)
450.00	(1 mo.)	June 1952	212.50	(1/2 mo.)
450.00	(1 mo.)	July 1952	425.00	(1 mo.)
450.00	(1 mo.)	August 1952	425.00	(1 mo.)
225.00	(1/2 mo.)	September 1952	425.00	(1 mo.)
225.00	(1/2 mo.)	October 1952	425.00	(1 mo.)
225.00	(1/2 mo.)	November 1952	310.65	(22/30 of mo.)
$2743.29			$2901.55	
- 5.79			- 5.49	
$2737.50			$2896.06	

*Shift boss wages included under "Labor."

The salary of the Superintendent was overclaimed by $5.79 during the period of April 21-May 31, 1952. The wages of the Shift Boss were overclaimed by $5.49 during April 21-May 31, 1952, and underclaimed by $1.09 in November 1952. The amount of the overclaim of salary of the Superintendent of $5.79 and the wages of the Shift Boss of $5.49 were disallowed; no adjustment was made on the wages for the Shift Boss that were underclaimed.

Operating Materials and Supplies

The charges claimed in this category were checked against the monthly work sheets, and an analysis was made to determine the propriety of the items charged. The various purchases for the entire period under audit were verified against either the original invoice or a certified copy. The invoices were spot checked for proof of payment against the cancelled bank checks. The company does not maintain a stores account, and all purchases are charged directly to the project.

A large portion of the costs properly chargeable under this item were classified under No. 3, "Supplies." The costs properly chargeable and allowable under Operating Materials and Supplies were found to consist of the following:

Explosives	$1,877.08
Pipe	87.21
Track	26.93
Drill steel and bits	1,495.36
Small tools	78.57
Lubricants (gas & oil)	135.68
Power	988.87
Other	111.85
	$4,801.55

Operating Equipment

The charges for depreciation on operating equipment furnished by the Operator were checked against the monthly work sheets and the rates specified in the contract and in Amendment No. 3.

Equipment	Value	Monthly Rate	Period	Claimed	Allowable
Compressor 315 cfm	$ 6,000	$100.00	12/1/51-12/31/51	$100.00	$100.00
*Compressor 500 cfm	12,000	100.00	4/21/52-11/22/52	635.65	635.65
Mucking machine	1,500	25.00	12/1/51-12/31/51		
			4/21/52-11/22/52	180.55	180.55
1 mine car	325	5.42	12/1/51-12/31/51		
			4/21/52-11/22/52	64.81	64.81
1½-ton dump truck	2,500	41.67	12/1/51-12/31/51		
			4/21/52-11/22/52	249.36	249.36
1 Atlas drill machine w/drill steel and air leg	1,065	17.75	12/1/51-12/31/51		
			4/21/52-11/22/52	132.64	132.64
1 jackhammer	285	4.75	4/21/52-11/22/52	31.92	31.92
**1 4x4 pickup truck	500	8.33	12/1/51-12/31/51	4.18	4.18
1 Universal air tramper	1,500	25.00	12/1/51-12/31/51		
			4/21/52-11/22/52	168.05	168.05
				$1567.16	$1567.16

*Amendment No. 2, effective April 1, 1952, provided for a 500 cfm compressor at a value of $12,000.00 with the maximum monthly allowance for depreciation at $100.00. This is the same amount of monthly depreciation allowed for the 315 cfm compressor valued at $6,000.00 provided for in the contract under Exhibit "A", page 2, Operating Equipment Furnished by the Operator.

**This item of equipment in use one-half month only.

The Operator did not claim full depreciation during the months of December 1951, April 1952 and November 1952. At such time as the equipment was in use it was charged full-time to the project. When the exploration contract was written in September 1951 it had been the Operator's intention to do other work in conjunction with the DMEA project, and the words "to be prorated" were included to cover this. However, the other work was not performed and therefore it was not necessary to prorate the depreciation charges.

The maximum monthly cost allowance for use on the project shall be determined on the basis of 60 months depreciation of value for each unit, with the allowable monthly amount chargeable only for the months actually used for the benefit of the project.

Rehabilitation and Repairs

The charges against this category were checked against the work sheets and the invoices were examined to determine the propriety of the work claimed. Amendment No. 3, effective April 1, 1952, authorized "reopening and rehabilitating the mine access road to a maximum of $700.00." The Operator claimed $173.25 for this purpose, and the item was adequately vouchered and proof of payment was ascertained by comparing the cancelled check with the invoice.

New Buildings, Improvements, etc.

The sum of $384.00 was claimed by the Operator for the purpose of improving 3/4-mile of road from the Forest Service road at Crony Cove to the mine workings. The work consisted of 32 hours of bulldozing at $12.00 per hour, as provided by Amendment No. 2, effective September 25, 1951, and was supported by a paid invoice from Uhrig Brothers Construction Company of Hailey, Idaho.

Amendment No. 2, effective September 25, 1951, authorized "The cost of excavation by bulldozing at $8.00 per hour to prepare a portal site for the 195-foot lower level adit--the total cost not to exceed $304.00". The Operator claimed the full sum of $304.00 for the work which consisted of 38 hours of bulldozing at $8.00 per hour. The item was supported by a paid invoice from Stanley Johnson Construction Company, Hailey, Idaho.

These items were erroneously shown on the November MF-104 under Initial Rehabilitation and Repairs and have now been placed under New Buildings, Improvements, etc.

Miscellaneous

Repairs to Equipment

The charges to this item were examined and found to consist of the following maintenance.

MF-104		
April-May 1952	Repair parts for mucking machine	$ 48.00
June 1952	Servicing pickup	8.10
	Repairs to Universal Tramaire	36.70
	Repairs to Atlas Drill Machine	32.31
	Repairs to Compressor	78.34

July 1952	Feed nut for diamond drill	46.00
	Repair shaft for mucking machine	20.00
	Universal joint for transportation unit	14.26
August 1952	Chuck driver for jackhammer	27.95
	Chuck liner for jackhammer	10.30
	Rifle bar for jackhammer	20.20
	Rifle nut for jackhammer	5.95
September 1952	Miscellaneous machine parts	23.07
November 1952	(2) Water flushing tube	4.90
	(6) Cups leather	3.30
	(4) Ratchets	4.00
	(4) Spiral springs	.80
	Packing for water tube	4.18
	(1) Osculating nut	7.00
		$395.36

An item of $19.16 covering one rotation chuck for the jackhammer was claimed under "Miscellaneous Supplies" and transferred to Miscellaneous - Repairs to Equipment. The total amount under this item is $414.52.

Payroll Taxes and Insurance

The charges for payroll taxes and insurance were checked by computation at the rates shown by the Company files to be in effect. These rates were:

Social Security Tax	1.5%
State Unemployment Tax	2.7%
Industrial Accident Insurance (Idaho Compensation Commission)	
Surface labor	$3.75 per $100.00
Underground	$7.50 per $100.00

The Operator claimed $443.76 for payroll taxes and $663.35 for Liability Insurance. The amount allowable for payroll taxes is $443.30 and for liability insurance is $662.91. The payroll taxes and liability insurance were adjusted to conform with the disallowances in Supervision and Labor.

Contingencies

There was claimed for transportation the sum of $183.33 as follows:

MF-104		
December 1951		$15.51
April 21-May 31, 1952	33.98	
Deleted by previous audit	8.98	25.00
June 1952		17.82
July		25.00
August		25.00
September		25.00
October		25.00
November		25.00
		$183.33

Amendment No. 2, which was effective September 25, 1951, authorized the transportation of employees to and from the site of the work at a cost not to exceed $25.00 per month. This amount was overclaimed on the MF-104 for the period April 21-May 31, 1952, by $8.98 and this amount was disallowed by a previous audit. The Operator adjusted his figures to allow for the deletion. At no other time did the monthly charge exceed the allowable maximum. The Operator charges actual costs of transportation each month excepting in cases when actual costs exceed the allowable maximum of $25.00 per month.

The transportation was erroneously classified under "Operating Materials and Supplies" but has been placed under Contingencies - Transportation.

IV CONCLUSIONS AND RECOMMENDATIONS

This audit has disclosed that the costs as charged to the project are in accordance with the contract and the amendments thereto.

During the course of the exploration project the Certifying Officer made the following disallowances:

MF-104			
April-May 1952	Equipment rental	$ 16.25	Error in computing rates
	Explosives	165.83	Amount claimed does not agree with vendors' invoices
	Transportation	8.98	Overclaimed amount authorized by Amendment No. 2
June 1952	Equipment rental	16.25	Error in computing rates
August 1952	Miscellaneous supplies	19.46	Deleted in error and reinstated by this audit
	116 feet of unauthorized drilling at an estimated cost of $3.81 per foot	441.96*	

*This disallowance was made after a consultation between the Field Engineer, Mr. T. E. Howard, and the Certifying Officer. The Operator adjusted the MF-104s to reflect the various disallowances, with the exception of the unauthorized drilling. This item of $441.96 is carried as a credit in the "Totals to Date" column.

The Miscellaneous Supplies in the amount of $19.46 are reinstated as they were erroneously deleted and are properly allowable.

The Operator claimed "Supplies" in the amount of $175.43 on the August 1952 MF-104 under Operating Materials and Supplies. Under Contingencies (specify) there were the following:

Diamond drill bit	$ 40.38
Power	90.59
Transportation	25.00
	$155.97

These items are allowable.

The Certifying Officer transferred the items under Contingencies (specify), in the amount of $155.97, to Operating Materials and Supplies

and with the $175.43 claimed under "Supplies" extended the figures as $311.94 instead of $331.40 or a difference of $19.46.

The various disallowances were reviewed and are concurred in. The adjustments between the Items of Cost as shown on the November 1952 MF-104 and the approved amounts are summarized on Schedule A attached.

The audit also disclosed that the status as of November 30, 1952 of the "Allowable Maximums" under this contract was as follows:

Item	Allowable maximum	Total costs	Balance
Reopening & rehabilitating mine access road	$ 700.00	$ 173.25	$ 526.75
Excavating portal site by bulldozer	304.00	304.00	-0-
Transporting employees to and from site	600.00*	183.33	416.67
Superintendent	10,800.00*	2,737.50	8,062.50
Shift boss	10,200.00*	2,896.06	7,303.94

*These sums were arrived at by taking the period of the contract (2 years) as 24 months at the monthly maximum amount allowable.

Sun Valley Lead-Silver Mines, Incorporated
Contract Idm-K160

SCHEDULE "A"

	Totals Nov. 1952 MF-104	Distribution corrected Plus	Minus	Rein-stated by audit	Dis-allowed by audit	Allowed by audit
Labor and Supervision						
Labor	$ 8,551.75	318.75			$5.49	$8,865.01
Supervision	3,062.04		318.75		5.79	2,737.50
Operating Mat'ls. & Supp.						
Explosives	(a) 1,813.40	(b) 95.02	(a) 31.34			1,877.08
Pipe		(b) 87.21				87.21
Track		(b) 26.93				26.93
Misc. supplies	3,171.18	(a) 31.34				
		(b) 61.05	(b) 3,171.18	19.46		111.85
Drill steel and bits		(b) 1495.36				1,495.36
Small tools		(b) 78.57				78.57
Gas & oil (lubricants)		(b) 135.68				135.68
Power		(b) 988.87				988.87
Operating Equipment						
Depreciation	1,567.26					1,567.26
Initial Rehab. and Repairs	861.25		(c) 688.00			173.25
New buildings, improve., etc.		(c) 688.00				688.00
Miscellaneous						
Repairs to Equipment	395.36	(b) 19.16				414.52
Payroll taxes	443.76				.46	443.30
Liability insurance	663.35				.44	662.91
Contingencies						
Transportation		(b) 183.33				183.33
Deletion of unauthorized drilling	(441.96)					(441.96)
	$20,087.39	$4209.27	$4209.27	$19.46	$12.18	$20,094.67

Robert M. Hull
Robert M. Hull, Auditor

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Minerals Admin
RECEIVED
1954

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sun Valley Lead-Silver Mines, Incorporated
P. O. Box 57
Ketchum, Idaho

pertaining to Exploration Project Contract No. Idm-E160, Docket No. DMA 1936, including Amendments Nos. 1, 2, 3, 4, and 5, for the months of December 1951 to May 1953, inclusive, covering a project for the exploration of lead and zinc on property, known as Blue Kitten Mine, located in Blaine County, Idaho.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the property, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder; and
(b) the majority ($20,094.67) of the costs were covered by the second Interim Audit Report and Certificate dated April 22, 1953, issued by Robert M. Hull, DMEA Auditor.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor			$21,463.16
Exceptions (Schedule attached)			
By DMEA Finance Officer	$ 0.20		
By prior audit	12.18	$12.38	
Less: Reinstatement by DMEA Auditor		19.46	7.08
Total Accepted Cost (Summary attached)			$21,470.24

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Ten Thousand Seven Hundred Thirty Five and 11/100 Dollars

$10,735.11

is considered valid and proper, provided that the Regional Executive Office the Administrator, or other competent official has accepted or will accept project as having otherwise met the terms of the contract.

Robert M. Hull
Robert M. Hull
Auditor

February 12, 1954

Schedule of Exceptions

Sun Valley Lead-Silver Mines, Incorporated Idm-R160 DMA-1936

Labor $3.49

The wages of the Shift Boss were overclaimed during April 21-May 31, 1952.

Supervision $3.79

The salary of the Superintendent was overclaimed during April 21-May 31, 1952.

Payroll Taxes

$0.46 To reduce payroll taxes to cover disallowance under Labor and Supervision.

0.20 Typographical error in bringing forward Total to Date on May 1952 Form MF-104. Deletion made by Finance Officer.

Liability Insurance $0.44

To reduce Liability Insurance to cover disallowance under Labor and Supervision.

Miscellaneous Supplies $19.46

The DMRA Finance Officer made a deletion of $19.46 from Miscellaneous Supplies due to an error in extension on the Form MF-104 for August 1952. The audit reinstates this sum as it is a proper charge and allowable.

Robert M. Hull

Robert M. Hull
Auditor

SUN VALLEY LEAD-SILVER MINES, INCORPORATED

The adjustments between "Items of Cost" as shown on the May 1953, Form MF-104, the disallowances, reinstatements, and the accepted costs, are summarized as follows:

	Totals May 1953 MF-104	Corrected Distribution	Reinstated	Disallowed by Prior Audit	Allowed
Labor & Supervision					
Labor	$8,948.67	$ 9,267.42	$	$ 5.49	$9,261.93
Supervision	3,512.04	3,193.29		5.79	3,187.50
Operating Materials and Supplies					
Explosives	1,813.40	1,877.08			1,877.08
Pipe		87.21			87.21
Track		71.78			71.78
Miscellaneous Supplies	3,385.34	92.39	19.46		111.85
Drill Steel and Bits		1,626.23			1,626.23
Small Tools		92.01			92.01
Gas and Oil (lubricants)		160.68			160.68
Power		988.87			988.87
Operating Equipment					
Depreciation	1,792.25	1,792.25			1,792.25
Initial Rehabilitation and Repair	861.25	173.25			173.25
New Buildings, Improvements, etc.		688.00			688.00
Miscellaneous					
Repairs to Equipment	404.03	423.19			423.19
Payroll Taxes	476.14	476.14		*.20) .46)	475.48
Liability Insurance	712.00	712.00		.44	711.56
Contingencies					
Transportation		183.33			183.33
Deletion of unauthorized drilling.	(441.96)	(441.96)			(441.96)
	$21,463.16	$21,463.16	$ 19.46	$ 12.38	$21,470.24

* Disallowed by Finance Officer.

Robert M. Hull

Robert M. Hull
Auditor

GOVERNMENT COPY

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

It is agreed this 15 th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E 160, Docket No. DMEA-1936, dated September 25, 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 Thor H. Kilsgaard
FOR: A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

SUN VALLEY LEAD-SILVER MINES, INC.

By J. R. Thornton
Sec'y. - Treasurer
Marvin J. Warren
Vice President

18262-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON XXXXXX~~
So. 157 Howard Street
Spokane 4, Washington

October 27, 1953

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1936 (lead-zinc)
Sun Valley Lead-Silver Company
Blue Kitten mine, Blaine Co., Idaho
Contract No. Idm-E~~60~~/160/

Dear Mr. Selfridge:

Enclosed herewith is an inspection report by Thor H. Kiilsgaard in which he states that he hasobtained signatures of two officials of the Sun Valley Lead-Silver Company to an agreement mutually terminating the above-referenced contract. Enclosed also are the Government, Docket, and Division copies of the termination agreement.

Exploration at the Blue Kitten property has been unsuccessful. We had planned a small amount of surface drilling as a last hope, with the realization that at best only a small discovery could result; however, Mr. Kiilsgaard finds that the company is virtually defunct and in no position to do even this small remaining amount of work. Furthermore, the depressed price of lead and zinc makes it most unlikely that they would be able to obtain funds to do the work as they have closed their custom mill near Ketchum which was their only source of income. On conferring with Mr. Thornton, Mr. Kiilsgaard found that Mr. Thornton was about to leave for Nevada where he intended to look for employment. Mr. Ross Roundy the president of the company is very seriously ill in a tuberculosis hospital. Due to the fact that the officials of the company were about to become scattered, it might have been exceedingly difficult to get in touch with them in the future. Therefore, Mr. Kiilsgaard had Mr. Thornton, the secretary-treasurer and Mr. Warren, a vice-president of the company sign the mutual termination agreement and he signed the document for the Executive Officer. In view of the special circumstances

involved and the fact that it was imperative to act quickly, we approve Mr. Kiilsgaard's action and think that he should be commended for the initiative that he has shown in obtaining the termination agreement while it was still obtainable.

By Field Team, Region II

/s/ A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

/s/ M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures - 2
(as above)

cc: USBM (2)
Finance Officer w/encl.
Kiilsgaard

Docket No. DMEA 1936
(lead-zinc)

AMENDMENT NO. 5 GOVERNMENT'S COPY

It is agreed this 11th day of December 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 160 of September 25 195 2 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be November 1 195 2.

This amendment is made by authority granted the Executive Officer, DMEA Field Team, Region II, in Order No. 2684 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "Allowable Maximum."

Executed in sextuplicate the day and year first above written.

SUN VALLEY LEAD-SILVER MINES, INC.
(Operator)

By John R. Thornton

THE UNITED STATES OF AMERICA

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

DMEA

AMENDMENT NO. 4

It is agreed this 21st day of August 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Sun Valley Lead-Silver Mines, Inc., Box 57, Ketchum, Idaho (Docket No. DMEA 1936 Lead-Zinc)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E160 of September 25 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be July 1 195 2.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Sun Valley Lead-Silver Mines, Inc.
(Operator)

By John R. Thornton

The United States of America

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

SUN VALLEY LEAD-SILVER MINES, INC.
Exploration Project Contract Idm-E160
Docket No. DMEA 1936 (lead-zinc)

AMMENDMENT NO. 4

Exhibit "F"

Changes and Modifications

To Exhibit "A" of the contract, page 1, under "Performance of Work", add the following paragraph:

"One thousand feet of diamond drilling at $4.50 per foot shall be allowable to the project. All drilling will be to test the Blue Kitten ore structure and will be done only with the approval of the Government. Costs for this work shall be deleted from funds allotted to crosscutting and raising on and above the No. 1 tunnel level."

1000 feet of diamond drilling at $4.50 per foot	$4,500.00

RECEIVED
MAY 26 1952
U. S. G. S.
SPOKANE, WASH.

AMENDMENT NO. 3

It is agreed this 12th day of May 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Sun Valley Lead-Silver Mines, Inc., Box 57, Ketchum, Idaho (Docket No. DMEA 1936 - lead-zinc)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E160 of September 25 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be April 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

SUN VALLEY LEAD-SILVER MINES, INC.
(Operator)

By John R. Thornton

The United States of America

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

Contracts & Audit Copy

E 160

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 3 - 1952

Dmea 1936

AMENDMENT NO. 2

It is agreed this 14th day of February 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Sun Valley Lead-Silver Mines, Inc., Box 57, Ketchum, Idaho

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E160 of September 25 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be September 25 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

SUN VALLEY LEAD-SILVER MINES, INC.
(Operator)

By John R. Thornton

The United States of America

By M E Volin

M. E. Volin, Acting Exec. Officer
DMEA Field Team, Region II

Reviewed by Division (HE 3/6

SUN VALLEY LEAD-SILVER MINES, INC.
Exploration Project Contract Idm-E160

Amendment No. 2

EXHIBIT "F"

Changes and modifications

1. In Exhibit "A" of the contract, page 1, under Performance of Work, Item No. 1, change the allowable cost of bulldozing from $8.00 per hour to $12.00 per hour.

2. In Exhibit "A" of the contract, page 1, under "Performance of Work", add the following item:

   "The cost of excavation by bulldozing at $8.00 per hour to prepare a portal site for the 195-foot lower level adit specified as item No. 5 shall be allowable as a cost of the project, the total cost not to exceed $304.00."

3. To Exhibit "A" of the contract, under "Labor and Supervision," add the following paragraph:

   "The cost of transporting employees to and from the site of the work shall be allowable as a cost of the project to a maximum of $25.00 per month."

4. In Amendment No. 1 of the contract change the salary allowable for shift boss from $400.00 per month to $425.00 per month.

N-8.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

AMENDMENT NO. 1 OCT 25 1 43 PM '51

It is agreed this 9th day of October 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Sun Valley Lead-Silver Mines, Inc., Box 57, Ketchum, Idaho (an Idaho corporation)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm E160 of September 25, 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be date of said exploration contract/ 195____.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

Sun Valley Lead-Silver Mines
(Operator)

By J. R. Thornton
Sec'y - Treasurer.

The United States of America

By M. Ellelin
Acting Executive Officer
DMA Field Team, Region II

Cont. Serv. Sec.
Change Order
Noted .....
Reviewed .....

U. S. BUREAU OF MINES
RECEIVED
OCT 12 1951
ALBANY, OREGON

Sun Valley Lead-Silver Mines, Inc.

Exploration Project Contract - AMENDMENT NO. 1

EXHIBIT "F"

Changes and modifications.

(1) On page 3 of Exhibit "A" of the contract under "Labor and Supervision" delete the wage and salary schedule shown and substitute the following paragraph: "Labor for the various items of work described above may be paid at shift rates or unit contract rates not to exceed rates generally paid for like work in the district in which the project is located and the costs thereof shall be allowable to the extent approved by the DMA Field Team, Region II. The salaries of one superintendent and one shift boss shall be allowable in prorated amounts not to exceed $450.00 and $400.00 per month, respectively."

U. S. BUREAU OF MINES
RECEIVED
OCT 1 2 1951
ALBANY, OREGON

U. S. BUREAU OF MINES
RECEIVED
OCT 1 2 1951
ALBANY, OREGON

Government Copy
Dmea 1956
Lead, Zinc

APPROVAL

Contract dated December 19 51, between

Stanley Johnson Construction, Hailey, Idaho

and Sun Valley Lead-Silver Mines, Inc.

for carrying out certain specified work under the provisions of Exploration Project Contract Idm-E160 between the United States of America and Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho.

is hereby approved.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount that the Government may pay, or the percentage of the costs that the Government may pay, under the provisions of Article 13 of the Contract form.

Dated November 30 19 51.

The United States of America

By A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

STANLEY JOHNSON CONSTRUCTION
HAILEY, IDAHO.

December, 1951.

TO: Sun Valley Lead-Silver Mines, Inc.
Ketchum, Idaho.

Sub-Contract for Bulldozing:

I will furnish the Sun Valley Lead- Silver Mines, Inc., one (1) HD 9 International Bulldozer, at the rate of $ 8.00 per hour. This price will include the diesel oil and the operator.

Submitted: Stanley Johnson
Stanley Johnson,
Owner.

Government Copy
Dmea 1936
Lead, Zinc

APPROVAL

Contract dated December 1951, between

Uhrig Brothers Construction Company, Hailey, Idaho

and Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho

for carrying out certain specified work under the provisions of Exploration Project Contract Idm-E160 between the United States of America and Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho

is hereby approved.

This approval shall not be construed to increase the estimated total cost of the project, the aggregate total amount that the Government may pay, or the percentage of the costs that the Government may pay, under the provisions of Article 13 of the Contract form.

Dated November 30 1951.

The United States of America

By A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

UHRIG BROTHERS CONSTRUCTION
HAILEY, IDAHO.

December, 1951.

TO: Sun Valley Lead-Silver Mines, Inc.
Ketchum, Idaho.

Sub-Contract for Bulldozing:

We will furnish the Sun Valley Lead-Silver Mines, Inc., one (1) D7 Bulldozer, at the rate of $ 12.00 per hour. This price will include the diesel oil and the operator.

Submitted: W. H. Uhrig
W.H. Uhrig, Owner.

MF-200
(June 1951)

Docket No. DMA 1936
Commodity Lead, Zinc
Idm-E 160

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

RECEIVED OCT 18 1951

It is agreed this 25th day of September, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] Sun Valley Lead-Silver Mines, Incorporated, Box 57, Ketchum, Idaho (An Idaho Corporation)

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Idaho, County of Blaine described as follows:[3] Warm Springs Mining District on Crony Cove on Warm Springs Creek; consisting of Blue Kitten, Blue Kitten Extension and Blue Kitten Extension No. 1 Claims.

with respect to which the Operator represents and undertakes:[4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following~~ ~~encumbrances, a schedule of which is attached, the subordination agreement of the holders thereof~~: The Blue Kitten property is held by the applicant under lease with option to buy for $15,000. Payments consist of 10% of net smelter returns.

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within Thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] lead and zinc; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] Two (2) years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $14,192.00, which is 50 percent of the agreed estimated total cost of this project, $28,384.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Sun Valley Lead-Silver Mines, Inc.
(Operator)

By John R. Thornton
Secretary-Treasurer

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Docket No. DMA - 1936
Sun Valley Silver Mines, Inc.
Exploration Project Contract Idm-E160

EXHIBIT "A"

Exploration Project:

To explore for lead and zinc by drifting, crosscutting and raising on the Blue Kitten claims.

Performance of Work	Estimated Cost
Work will consist of the following:	
1. Improve 3/4 mile of road from Forest Service Road to mine workings - 6 days bulldozing @ $8.00 per hour	$ 384.00
Two men with jackhammer, compressor, powder, etc.	300.00
2. Drive 250 feet of drift on No. 1 tunnel level @ $25.00 per foot	6,250.00
3. Drive five 25-foot crosscuts from the drift on 50-foot centers to explore the width of the mineralized structure, total 125 feet @ $25.00 per foot	3,125.00
4. Drive 60-foot of raise from No. 1 tunnel level to surface @ $25.00 per foot	1,500.00
5. Drive 195 feet of adit to intersect vein at lower level @ $25.00 per foot	4,875.00
6. Drive 250 feet of drift on adit level @ $25.00 per foot	6,250.00
7. Drive five 25-foot crosscuts from drift at 50-foot centers to explore vein width, total 125-feet @ $25.00 per foot	3,125.00
8. Drive 103 feet of raise from lower adit to No. 1 tunnel level @ $25.00 per foot	2,575.00
Total estimated cost of Project	$28,384.00

The cost per foot for drifting, raising, and crosscutting, includes all labor, supplies, utilities, repairs, pipe, rail, use allowance for operating equipment furnished by the Operator and supervision.

Fixtures and Improvements

Improve 3/4 of a mile of road from Forest Service Road at Crony Cove to mine workings - 6 days bulldozing @ $8.00 per hour	$ 384.00
Two men with jackhammer, compressor, powder, etc.	300.00
Total	$ 684.00

Operating Equipment

To be rented:

None

To be purchased:

None

Equipment furnished by Operator	Value
1 - compressor, 315 cu.ft.	$ 6,000.00
1 - mucking machine, Emico	1,500.00
1 - stoper	525.00
1 - automatic liner	625.00
1 - jackhammer	285.00
1 - Universal air trammer	1,500.00
4 - mine cars @ $325.00 each	1,300.00
1 - ventilation blower	250.00
1000 feet of ventilation pipe @ $.50/ft.	500.00
1 - gas motor for ventilating unit	200.00
1 - 4 x 4 pickup truck	500.00
1 - 1½-ton dump truck	2,500.00
1 - Atlas Diesel drill machine with drill steel and air leg	1,065.00
2 - cylinder air hoist with cable	1,000.00
1 - trigger hoist with cable	300.00

The maximum monthly cost allowance for use on the project shall be determined on the basis of 60-months' depreciation of value for each unit, with the allowable monthly amount chargeable only for the months actually used for the benefit of the project.

Labor and Supervision

Miners - 8-hour shift @ $12.60 per shift
Muckers - 8-hour shift @ $12.60 per shift
Trammers - 8-hour shift @ $12.60 per shift
1 - Superintendent @ $450.00 per month, 1/2 time chargeable to project - $225.00 per month
1 - Shift Boss @ $400.00 per month

Rehabilitation and Repairs

None

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

Know All Men By These Presents:

Whereas, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Blaine, State of Idaho, described in a certain Exploration Project Contract dated September 25, 1951, between Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho., the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated June 11th, 1951 does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 14th, day of July, 1951

George C. Ratke

Frances M. Ratke

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 17 1951

LEASE AND OPTION

THIS LEASE AND OPTION made this 11th day of June, 1951 between GEORGE RATHKE and FRANCES RATHKE, husband and wife, lessors, of Hailey, Idaho, and SUN VALLEY LEAD SILVER MINES, INC., and Idaho corporation, Lessee, WITNESSETH:

That the said Lessors, for and in consideration of the sum of One Dollar ($1.00) lawful money of the United States, and other valuable considerations, the receipt whereof is hereby acknowledged, and in further consideration of the royalties, covenants and agreements hereinafter reserved, and by said Lessee to be paid, kept and performed, have granted, demised and let, and by these presents do grant, demise and let unto said lessee all of their right, title and interest in and to the following described property and mining claims situate in Warm Springs Mining District, Blaine County, Idaho, known and recorded as:

BLUE KITTEN

BLUE KITTEN EXTENSION

BLUE KITTEN EXTENSION NO. 1

and more fully described in such recorded instruments upon the public record hereinabove referred to; together with all water rights, privileges, roads, ways, easements, tenements and hereditaments belonging to or in any way appertaining in and to the real property hereinabove described, including the apexes, dips, spurs, angles and variations of all veins, workings, lodes and mineral deposits contained within and belonging to each and all of said lode mining claims;

TO HAVE AND TO HOLD SAID DEMISED PREMISES and property unto said lessee for the purpose of mining and removing ores and metals therefrom for the term of ten (10) years from the date hereof, unless at any time sooner terminated as hereinafter provided.

AND IN CONSIDERATION of said demise, the lessee does hereby covenant and agree with the lessors as follows, to-wit:

1. That lessee herein is an independent contractor and there shall be no privity of contract between lessors and the employees of lessee; lessee shall have exclusive dominion and control over the leased property and the operations thereof during the term thereof.

2. Lessee will enter upon said premises and take possession thereof, as of date hereof, and mine ore from the property in the amount of one thousand (1,000) tons in each twelve month period, so long as the ore has a commercial value warranting the mining of same at a legitimate profit to the Lessee; further, when the amount of ore mined in any one twelve-month period shall exceed one thousand (1,000) tons, the amount in excess of that figure shall apply to the stipulated amount of tons to be mined in any other twelve month period of the term of this lease.

3. Lessee will perform all work in said demised premises in a safe and minerlike fashion in accordance with the mining laws of and such rules and regulations as may have been issued by any Officer, Boards or Commissions of the State of Idaho; and all active working places shall be maintained in accordance with the standards established by such rules and regulations.

4. Lessee, at its own expense, will carry workmen's compensation insurance and liability insurance covering their operations hereunder and also any other insurance required by the laws of the State of Idaho covering them and all their employees; lessee will pay all taxes and contributions and make all deductions required under the Federal Social Security Act and the Idaho State Employment Security Law, and for which lessee may become obligated; and lessee will comply with all other rules and regulations of any governmental authority upon reasonable notice affecting lessee's operations upon said premises, and shall furnish lessors with supporting evidence of such compliance upon request.

5. There is reserved to lessors the right of entry in and upon said property at reasonable times for the purposes of inspection, surveying and sampling of the workings and for checking upon compliance by lessee with the terms and conditions hereof, all at the sole epense and risk of lessors, and without interference with the lessee's operations hereunder.

6. Lessee will immediately post and record according to law statutory notices to material men and laborers to indemnify lessors and said property against obligations and liability incurred by lessee in their operations hereunder.

7. Lessee will hold lessors harmless and fully indemnify lessors against all claims and demands of every kind and nature which may be made upon lessors or against the above described premises for or on account of any debts or expenses contracted or incurred by lessee, as well as from and against all acts, transactions or omissions by lessee, its agents and servants, including claims, demands, causes of action, costs and expenses to any person.

8. This Lease and Option may be assigned by lessee in whole or in part at any time upon lessee submitting to lessors a copy of such article of assignment showing that such assignee or sub-lessee accept all terms and conditions of this indenture.

9. Lessee shall surrender to lessors the said premises, with the appurtenances and improvements thereto, without demand or further notice on the last day of the term, or any extension of the term hereof, or any time previous thereto, upon demand after forfeiture; and upon termination in any manner other than by purchase of said premises, any sums of money theretofore and thereafter paid to the lessors under the provisions hereof shall be retained by the lessors as liquidated damages and rental in full; provided, that lessee shall have thirty (30) days from and after date of any such termination in which to remove all broken ore from the property for shipment under the terms of this agreement, and lessee shall have the right during such interim to remove from said premises, all tools, equipment and supplies owned by lessee.

10. All ores shall be marketed by lessee; the ore buyer shall make such divisions of the proceeds as is agreed herein and pursuant to instructions to be submitted by the parties hereto. Lessee shall not be liable for ores lost by theft, accident, or financial difficulties of the ore buyer not arising from their own negligence. Ores shall be shipped as "Rathke Lease Ores".

11. Lessors shall have access to all original records of lessee concerning ore production to enable lessors to ascertain compliance therewith; such examinations shall be conducted by lessors at no cost to

lessee, and not more often than once each calendar month and within normal business hours. Lessors shall have the right to be present or be represented at the sampling of any ores should they so desire. Lessors shall pay the cost of assaying mine samples and of any control assays and also the cost of any surveys desired by lessors.

12. Lessee shall pay lessors royalties of ten (10%) percent of the net smelter returns upon all ores, concentrates and other products of operation. The term "net smelter returns" as used herein is defined and means the amount by lot paid by the smelter or other purchaser after all deductions of smelting and/or treatment charges, sampling, assaying, railroad freight and truck haulage costs. The term "net smelter returns" also includes any premium on bonus payments made to lessee by or on behalf of any governmental agency under any premium or bonus price plan for lead, zinc, copper and other metal products produced from said premises to the extent the law or regulations permit payment of royalties therefrom. All royalties paid shall be credited as payments upon the purchase price hereinafter stipulated.

13. Lessee will annually file proof of labor on or before the 30th day of June each year, showing full compliance with the statutes regarding the same, it being understood that should Congress again waive annual assessment work, lessee may file such notice of intention to hold as such Act of Congress may provide.

14. During the life of this contract, the lessee shall pay all state and county taxes lawfully assessed or levied against improvements, machinery and other property placed upon said mining claims by them, or upon any operations carried on hereunder. Lessors, however, shall pay their pro rata share of any production of severance taxes assessed against the products of such operations.

15. In the event the Lessee shall fail to keep, observe and perform each and all of the terms and conditions hereof on their part, as and when required by this contract, the lessors may give the lessee sixty (60) days' written notice of their intention to declare a forfeiture hereof, stating in such notice the alleged grounds of forfeiture; and if the lessee shall fail to cure and correct any defaults of which they may be guilty, withing sixty (60) days after service of such notice, then this Option and Lease shall become null and void at the expiration of said period; but if they shall remedy all such defaults within said time, then this contract shall continue in full force and effect as though such notice had not been given.

16. In consideration of the execution and delivery of the foregoing lease, lessors hereby give and grant unto lessee the exclusive right and option to purchase all the right, title and interest of lessors in and to said demised premises and property for the sum of Fifteen Thousand ($15,000.00) Dollars, and agree that all royalties received by lessors hereunder shall be applied toward the payment of said purchase price. Lessee shall have the right to make such other and further payments upon said purchase price as they may at any time desire, and upon the payment of the balance of said purchase price in full, lessors will execute and deliver to lessee a good and valid conveyance of said property.

17. Written notices hereunder shall be sent by registered mail and addressed to lessee at Ketchum, Idaho, and to Lessors at Hailey, Idaho.

18. This agreement shall be binding upon the heirs, personal representatives, executors, administrators and assignees of all parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written; the lessee, by its officers first duly authorized with corporate seal attached.

George Rathke
Frances Rathke
Lessors

SUN VALLEY LEAD SILVER MINES, INC.
By R. L. Roundy
President
John R. Thornton
Secretary

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 11th day of June, 1951, before me, the undersigned Notary Public, personally appeared George Rathke and Frances Rathke, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

B. B. Lockard
Notary Public for the State of Idaho
Residing at Ketchum, Idaho
My Commission Expires Feb. 21, 1955

STATE OF IDAHO)
) ss.
COUNTY OF BLAINE)

On this 11th day of June in the year 1951, before me the undersigned Notary Public in and for said State, personally appeared Ross L. Roundy and John R. Thornton, known to me to be the President and Secretary, respectively of the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal the day and year in this Certificate above written.

B. B. Lockard
Notary Public for the State of Idaho
Residing at Ketchum, Idaho
My Commission Expires Feb. 21, 1955

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1936

Date received 8-7-51

Participation

Sun Valley Lead-Silver Mines,
Box 57
Ketchum, Idaho.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 7 1951

Name and address of applicant

Date July 14, 1951

FILL IN THIS BLOCK

Date of application July 14, 1951

Estimated cost $28,384.00

Mineral or metal Lead & Zinc

Percentage of Government participation 50%

Location of mine Warm Springs Mining Dist.
Blaine County, Ketchum, Idaho
Crony Cove on Warm Springs
~~creek~~

Date of filing MF-100 May 31, 1951

DMA Docket Number, if available ~~1594X~~ 1936

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Answered on MF-100
*2. If a partnership, state names and addresses of partners. Answered on MF-100
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. Answered on MF-100
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project. Answered on MF-100
*5. Are you the owner or the lessee of the property? Answered on MF-100
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

All other questions answered on Supplement Sheets of MF-100

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

Answered on MF-100

15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Sun Valley Lead-Silver Mines, Inc., By John R. Thornton
(Name of company) (Signature of authorized official)

July 14, 1951 Secretary - Treasurer
(Date) (Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho.

Questions

6. The Blue Kitten property is held by the applicant under lease with option to buy for $15,000.00. Payments consist of 10 percent of net smelter returns.

7. Not applicable

8. Copies of financial statement were submitted with previous filing of application MF -100.

9. Applicant is prepared to furnish 50 percent of estimated cost of project.

10. (a) The mine known as the Blue Kitten mine consists of three (3) unpatented claims situated at Crony Cove 9 miles up Warm Springs creek from Ketchum, Idaho. This property has been worked at different times by the lessor and several cars of ore shipped, but lack of finances permitted only a small scale operation.

The company has just completed and now has in operation a 100-ton flotation mill 35 x 92 with two additional ore bins and mill office. Three (3) claims of the Blue Kitten group situated at Crony Cove on Warm Springs creek in Township 4N, Section 23, Range 16 EBM. The mill is situated in the same area.

(b) All exploration work will be on the unpatented Blue Kitten group, a map of which is submitted with this application.

15. Ore will be treated at our selective flotation mill located 3 miles from the Blue Kitten mine.

19. The company has been working the Blue Kitten property for the past three weeks and have contacted and are mining some very good commercial ore, which is being milled at their mill at present.

20. Lead, zinc and silver will be produced from the Blue Kitten Mine. Also see number 19 above.

21. The exploration program is outlined as follows:

1. Improve 3/4 mile of road leading from Crony Cove to the #1 upper tunnel and #2 tunnel (or lower tunnel)

2. Drive 250 feet of drift, crosscut every 50 feet on vein 25 feet wide and raise 60 feet to surface on the #1 tunnel.

3. Drive 250 feet of drift, crosscut to the vein and raise 103 feet from #2 tunnel to #1 tunnel, on the #2 tunnel. The cross cut from adit to the vein is a distance of 195 feet.

It is estimated that 6 months will be required to complete the contract.

Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho

Questions

11. The mine is known as the Blue Kitten and has no former name

12. The mine is located 9 miles from Union Pacific R.R. Ketchum, Idaho and 3 miles from the mill, the mill being 6 miles from railroad and shipping point. The road from mine to mill and from mill to shipping point is gravel but becomes difficult to traverse in winter and spring.

13. Well with ample supply of water at millsite and three water tanks with 7000 gallon capacity, each. Ample supply of water at mine. Power obtained from Idaho Power Company in the amount of approximately 30,000 killowatts per month at the rate of 1½ cents per kilo.

16. The Blue Kitten mine has been worked intermittently during the past several years by the lessor, but due to financial difficulties it was operated on a small scale. During the 80's and 90's and up until 1905-6 there were around 100 mines in operation in this and the neighboring vicinities and at one time for several years a smelter was in operation on the outskirts of Ketchum, but closed down due to low metal prices. See attached maps and data and refer to MF-100

17. Mine has just started in production, see assay sheet for results of ore from this mine run at our mill

18. (a) Sulphide ore containing good percentages of lead and zinc and some antimony, copper, silver and gold
(b) attached
(c)

23. Cost of proposed program is outlined as follows:

Proposed work

1. Improve 3/4 mile of road, 6 days bulldozing @ $8.00 per hour	$384.00	
Two men with jackhammer, powder, etc.	300.00	
		$ 684.00
2. #1 Upper Tunnel:		
Drive 250 feet of drift @ $25 per foot	$6250.00	
Drive 125 feet of crosscut @ $25 per ft	3125.00	
Drive 60 feet of raise @ $25 per foot	1500.00	
		10875.00
3. #2 Tunnel (or Lower Tunnel)		
Drive 250 feet of drift @ $25 per foot	6250.00	
Drive 195 feet of crosscut @ $25 per ft	4875.00	
Drive 103 feet of raise @ $25 per foot (on dip of vein)	2575.00	
Drive 125 feet of crosscut @ $25 per ft (every 50 feet on vein)	3125.00	
		16825.00
TOTAL		$28384.00

Equipment to be furnished by the Operator:

	Present Value
1 Compressor - 315 cubic feet	$6000.00
1 Mucking Machine - Emico	1500.00
1 Stopper	525.00
1 Automatic liner	625.00
1 jackhammer	285.00
1 Universal air trammer	1500.00
4 Mine cars @ $325 each	1300.00
1 ventilation blower	250.00
1 gas motor for ventilating unit	200.00
1 4 x 4 pickup truck	500.00
1 1½ ton dump truck	2500.00
1000 ft 2" pipe	500.00
1000 ft 16# mine rail	2000.00
1 Atlas Diesel Drill Machine with drill steel and air leg	1065.00
2 Cylinder air hoist	1000.00
1 Trigger Hoist with cable	300.00
1000 feet of vetilation pipe @ $.50 ft.	500.00

Sun Valley Lead-Silver Mines,Inc., Ketchum, Idaho

Questions

24. Time Schedule

1st to 4th Month

Improve road, drive 250 feet of drift, drive 125 feet crosscut and drive 60 feet of raise #1 tunnel	$11559.00

4th to 7th Month

Drive 250 feet of drift; drive 195 feet of crosscut, drive 103 feet of raise, drive 125 feet of raise, every 50 feet on vein.	16825.00
Total cost	$28384.00

Form MF-106
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Billings

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dma 1594X

Date received MS - 2136

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5 - 1951
LANDON F. STROBEL
Executive Secretary

Sun Valley Lead-Silver Mines, Inc.,
Box 57
Ketchum, Idaho.

Name and address of applicant

Date May 21, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) [x 5] other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production ----------

   If not in production or operation, estimated date when production will begin ----------
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

JUL 19 1951 L

All questions not answered on this form will be found on attached sheets

16-48702-1

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Ross L. Roundy Ketchum, Idaho	Pres & Mgr. "D"	6000.00	$30000.00	110000	None	None	
John R. Thornton Ketchum, Idaho	Sec'y & Treas. "D"	5400.00	15000.00	150000	None	None	
L.O. Lindberg Kalispell, Mont.	Vice Pres. "D"	None	50000.00	62000	None	None	
M. J. Warren Hamilton, Mont.	"D"	None	25000.00	81000	None	None	
R. F. Holt Hamilton, Mont	"D"	None	25000.00	42000	None	None	
Percy Johnson Ketchum, Idaho	Stockholder	None	20000.00	60000	None	None	
Eugene Noxon Ketchum, Idaho.	Stockholder	None	30000.00	101000	None	None	
	Total	$11000.00	x x x x x	606000	None	x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$ 300000000	$ 292400.00	$ 300000.00	292400	None paid
Preferred stock	$ None	$ None	$ None	None	None paid

*Indicate period covered.

10. Production: None- Mill just started operation

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	None	None	None	None	None
2. Quantity of product processed (specify unit of measure and type of process)	None	None	None	None	None
3. Quantity and grade of product sold or shipped (specify units of measure)	None	None	None	None	None

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho.

Supplement Sheet of General Technical Data- MF-100

1. Materials Produced:
   (a) Lead and Zinc.
   (b) None
2. Name of Mine: Sunday Mine, lode type, formerly known as Boston-Idaho mine.
   Mill: Flotation type mill-100 ton capacity at present.
   (a) 65 feet of shaft(showing good ore)
   (b) 150 feet of drifts and crosscuts. Tunnels have size for productive mining.
   (c) 4500 feet of tunnels (All did by hand work)
   (d) 15 other adits, from 25 to 60 feet, where work did by hand.

   Mine is not flooded. For productive capacity refer to letters of Mr. Frank Hobson, Frank McKinley, Ross Roundy and Harry Gibbs.
3.
   (a) Mill is six(6) miles from Union Pacific R.R. Ketchum, Idaho Mine is twelve (12) miles from U.P.R.R. Ketchum, Idaho and six (6) miles from the mill, which is approximately half way between mine and the shipping point.
   (b) Warm Springs District.
   (c) Twp 4N, Section 23 , Range 16 EBM
   (d) Blaine county, Idaho.
4. (a) Not yet in operation except, that, part of ore dumps have been hauled and this ore is being treated at mill which has just started operation.
   (b) The company is operating this property as ~~Owner.~~ Lessee, option
5. The mine(Sunday which was formerly known as the Boston-Idaho Co) was in production during the 80's and 90's but nothing but the high grade Lead-Silver ore was taken and shipped at that time, the rest being left in the dumps which has been measured and estimated to contain 200,000 tons. Above mentioned letters give reference to this also. Production within the mine proper is estimated to begin within 30 days which is in addition to the mill operation of the dump ore. Low metal prices forced closing of operations
6. Experience of operators:

   Mr. Ross Roundy the President and General manager of the company, worked at all phases of the mining indutry for several years previous to 1916 for Bunker Hill Mine, Kellogg, Ida., Standard Mine, Mace, Ida., Frisco Mine, Frisco, Ida., Hecle and Hercules Mine, Burke, Ida. and was mining and shift boss at Success Mine 1914 to 1916., from 1916 to 1919 he was mine foreman and leasing at Rex Consoidated, from 1919 to 1921 he was Supt. at Snake & Opportunity, Hillsboro, N.M., 1921 to 1923 he was Supt of operations at Galena mine for Callahan Zinc Lead Co., from 1923 to 1949 he has been Supt of operations at the following mines., Sheridan Lease, Midnight, Golconda, Granada, Last Chance, Silver Crescent, Roundy Lease, Rimini, Mont., Sunset Lease, Wallace, Ida., and Nancy Lee, Superior, Mont., during the last five(5) years he has also in addition to the above had the management and supervision of this company-Sun Valley Lead-Silver Mines, Inc., Ketchum, Ida. Mr Roundy is rated as one of the outstanding mining men of the west.

Sun Valley Lead-Silver Mines, Inc., Ketchum, Idaho.

Continuation-Supplement Sheet of General Technical Data MF-100

6(Con)

Mr. John R. Thornton, Superintendent has worked at all phases of the mining industry with Mr. Roundy commencing in the spring of 1940 at Rimimi, Montana. from 1941 to 1946 he was assistant to Mr. Roundy at Sunset Lease Mine, Granada Lead Mine and Golconda Mine. From 1946 to the present he has been Supt. at the Sun Valley Lead-Silver Mines, Inc., also serving as Secretary and Treasurer.

7. History:

(a) The Sunday mine(Formerly called Boston-Idaho Co) had extensive explorations did on it in the early days of the 80's and 90's and also development work was done and there was a program afoot at the time that operations ceased to do extensive development work and it was operated successfully for over twenty(20) years and several million dollars of high grade ore was taken. Note-Letter of Mr. Frank Hobson. Operations ceased when the price of metals dipped to a low figure.

(b) During the 80's and 90's and up until 1905-6 there were around one hundred neighboring mines in production and at one time there was a smelter that operated just on the outshirts of Ketchum and as stated the drop in the ore prices curtailed operation and production.

(c) Please see attached letters and other data for answer to this question.

11. The company has just recently started operation of their 100 ton flotation mill and which shows fine results to date as referred to in the letter of Mr. Harry Gibbs; tunnels will be opened up and the mining of new ore will commence within 30 days with a maximum production of 1500 tons per month and with the addition of another Ball Mill our flotation mill should have a monthly production of or treatment of a maximum of 6000 tons of crude ore .

12.(a) Please refer to letter of Mr. Harry Gibbs, Frank McKinley and other data attached to application.

(b) Deposit is other than placer: Dode mine

(1) Refer to letters of Mr. Frank Hobson and Mr. Harry Gibbs for measured and probable mineral reserves and to letter of Mr. Frank McKinley for assays

(b) Not placer.

13. Roads: Road from mine to mill and from mill to shipping point and residence points is gravel but becomes difficult to traverse in winter and spring.

14. Water: Well with ample supply of water on mill project and three(3) water tanks with 7000 gallon capacity.each.

15. Power: Power obtained from high line of Idaho Power Company in the amount of aproximately 30,000 killowatts per month at the rate of 1½ cents per killowatt.

16. Labor: Men employed at mill during last pay period include: 1 Supt of operations;1 Mill foreman;1 bookkeeper;1 mechanic;1 mechanic's helper;3 mill operators;3 operators helpers and 1 watchman. This number will be augmented by about 25 miners, muckers etc., when mining activities commence in about thirty days.

17. Equipment&; Facilities: A new mill building was completed about two months ago which has the following dimensions 35'X 92' in addition is a fine ore bin 16'X 16'X 20';one crude ore bin 18'X 18'X 20' all made of wood and covered with galvanized steel and mill office 16'X 16'in addition there are 3 cabins on the Sunday property suitable for housing.

Sun Valley Lead-Silver Mines,Inc., Ketchum, Idaho.

Continuation-Supplement Sheet of General Technical Data MF-100

17.(Con)

Equipment &: The equipment in mill consists of the following

Facilities :

1 Harding 6X22 Ball Mill	1-8 cell Un Ir Wks flotation mach
1 Universal Primary Crusher	1-4 cell Fageren " "
1 Traylor Secondary Crusher	2-2 cell Sub A " "
3 Ore conveyor belts	2-1½ Gould Pumps
1 Donr double rake classifier	2-3X4 Oliver continuous Filters

In addition there is all the necessary electric motors,belts, pulleys and tools necessary to the operation of the mill

Outside Equipment consists of the following:

1 Allis-Chalmers HD 7 Bulldozer
1-1½ Ford Dump Truck
1-4x4 Station Wagon(4 wheel drive)
1-4X4 Weapons Carrier (Dodge)
1-Quickway ½ yard Shovel mounted on 6X6 Studebaker Truck

Mining equipment consists of the following:

3000 ft 2" Pipe	1000 ft 8" Ventilation Pipe
1-8" Impeller type fan	8 ton 16# mine rails
1-30X72 Air reciever tank	1-36X96 Air reciever tank

1 Universal Tramaire Locomotive
1 Emco-Finley Mucking machine
1 Gardner-Denver 89 Drifter
1 Ingersoll-Rand Drifter
1 R-104 Gardner-Denver Stoper
1 HS-15 " " "
1 Chicago Pneumatic 315 cu ft gas driven Compressor
2-24 cu ft ore cars
1-18 cu ft " "
All necessary hoses,oilers etc. to complete and the necessary drill bits,drifter steels,stoper steels and jack hammers
2 Auxillary timber trucks.

18. None that we can recall at present.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
(wet)	200,000	8%	$9.00	$7.25	$3.00
Indicated (probable)					
(wet)	500,000	8% to 40%	$40.00	$32.00	$7.50

The above figures refer to the ore dumps(crude ore)

Lower figures refer to probable ore in mine a good per cent showing.

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Sun Valley Lead-Silver Mines, Inc.
(Name of company)

Ketchum, Idaho

May 21, 1951
(Date)

By John R. Thornton
(Signature of authorized official)

John R. Thornton
Secretary & Treasurer
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

BUNKER HILL AND SULLIVAN MINING AND CONCENTRATING CO
KELLOGG, IDAHO.

TO: F. McKinley Plant DATE: July 11, 1950

GENTLEMEN: Below please find our results on the following controls.

OUR LOT	SMELTER LOT	LEAD o/o	SILVER OZ	ZINC o/o	COPPER	IRON o/o	MANG	INSOL	GOLD OZ	SOL Pb
Sun Vall		8.05	11.3	7.6	0	9.4	0	54.72	0.06	0.28
Pb Conc.		41.7	57.7	14.4		7.9		4.41		
Pb Midds		21.85	33.7	9.0		18.7		13.30		
Zn R.Conc.		2.32	5.2	27.9		19.8		9.61		
F.Tails		1.95	2.1	0.6		5.9		81.78	0.02	0.99

THIS IS
A TRUE COPY

BUNKER HILL & SULLIVAN M. & C. COMPANY

Per I. H. Laskey (SIGNED)

Kellogg, Idaho
July 25, 1950

Mr. R.L.Roundy,Manager
Sun Valley Lead-Silver Minew,Inc.,
Ketchum,Idaho

Dear Mr. Roundy:

This is to advise that confirming assays have been recieved showing the sample of ore which you delivered to me to contain 8.0% Lead, 7.8% Zinc and 11.2 Oz Silver per ton.

Additional flotation tests have been made since I last talked to you. These tests show that a good grade of Lead-Silver concentrate and a good grade of Zinc concentrate can be produced from this ore with little difficulty. Due to the oxidation of this ore a recovery of 80 to 85% of the lead and silver will be maximum until special provision is made to recover the oxidized mineral. Zinc recovery is excellent.

Testing is being continued to determine all the possibilities.

I have in mind the additional equipment that you require and I think you will have little difficulty in securing it.

You will recieve a complete metallurgical report shortly.

Very Truly Yours

SIGNED Frank McKinley
Frank McKinley
Asst Mill Supt.
Bunker Hill & Sullivan
Mining Co.,

THIS IS A
TRUE COPY

August 8, 1950

Milling

Mr. R. L. Roundy, Manager
Sun Valley Lead-Silver Mines, Inc.,
P.O. Box 57
Hailey, Idaho

Dear Mr. Roundy:

The following shows the laboratory results obtained treating the ore sample which you delivered to me. Treating ore as represented by this sample in a properly equiped and properly operated concentrator will give comparable metallurgical results.

Procedure: Ball mill grind 60 o/o minus 200 mesh

Reagents: To Ball Mill: Soda Ash to aklalinity Ph. 7.2
Cyanide 0.3# per ton of ore
Zinc Sulphate 0.6# per ton of ore

To Lead Flotation: Aerofloat 25 0.015# per ton of ore
Cresylic Acid

To Zinc Flotation: Copper Sulphate 0.75# per ton of ore
Lime to alkalinity Ph. 9.0
Sodium Aerofloat 0.015# per ton of ore
Methyl Amyl Alchohol

Metallurgical Tabulations:

		Assays		6	% Distribution		
	% Wt.	% Pb.	Oz.Ag.	% Zn	Pb.	Ag.	Zn.
Feed	100.00	8.37	11.12	7.88	100.00	100.00	100.00
Pb. Conc.	12.53	52.20	73.10	7.77	78.16	82.38	12.36
Zn Conc.	12.44	3.76	8.15	52.00	5.59	9.12	82.11
Rougher Tails	75.03	1.81	1.26	0.60	16.25	8,50	5.53

Analysis of Metallurgical Tabulations:

Feed Assay	8.37% Lead	11.12 Oz Silver	7.88 Zinc
Lead Concentrate Assay	52.20% Lead	73.10 Oz Silver	7.77% Zinc
Zinc concentrate Assay	3.76% Lead	8.15 Oz Silver	52.00% Zinc

Recovery of Lead in Lead Concentrate 78.16%
Recovery of Silver in Lead Concentrate 82.38%
Recovery of Zinc in Lead Concentrate 12.36%

Missoula, Montana
August 29th, 1949

Mr. W.R.New,
Sec. Central Idaho Mining Ass'n.,
Hailey, Idaho.

My dear New:-

Replying hastily to your inquiry, Saturday by wire, in regard to information on the Sunday Mining property, I have to say:

While I have visited the property on several occasions, have seen several truck loads of spendid ore, at the mine and in transit to the smelter, have observed quite carefully the surface conditions, in connection with some study of the mine working maps as prepared by Boston-Idaho Co., which several years ago, carried on some extensive development work over a large portion of the property, and have personally done some preliminary survey work in the upper workings, from which the ore above mentioned was shipped.

More than this, I have no authentic information I can offer, other than my private opinion, from observation rahter than actual examination.

I have observed that the nineteen dumps from tunnel operations, definitely show a continuance of mineralization and where the veins have been intercepted, as indicated upon the maps, the typical ore bodies of the vicinity, have been uncovered, and these conditions extend over an area of more than twelve-hundred (1200) feet in length (horizontally) and showing a depth of something like nine-hundred feet. Within this zone there is a width of about 700 feet enclosing the development work which has been carried out upon the several parallel and cross veins.

It has been estimated and reported to me that in these ninetee dumps, there is a volume equal to near a half million tons, and that better than two-hundred thousand tons of better than $8 ore is accessable for milling at a profit. Two of these dumps containing perhaps more than a thousand tons, will run considerably more than $8.00. The upper two tunnels in which the more recent work has been performed are in a good grade of shipping ore at the present price of metals.

The tunnels, winzes and raises, which I have seen are in good condition for observation.

There are excellent camp accommodations at the upper workings, and fair living quarters for a few men at the lower camp and mil-site, located on Rook's Creek, to which there is a splendid high way up Warm Springs creek, to within about a mile and a half of the mill-site which is passable but rough.

Personally, I have for some time considered this property a very promising one which could stand an extensive examination with the idea of a large scale operation.

Sincerely Yours,
SIGNED Frank
Frank E. Hobson

THIS IS A
TRUE COPY

MOONLIGHT MINING COMPANY
Missoula, Montana.
Oct. 24th, 849.

Mr. Frank W. Parke,
P.O. Box 476,
Hailey, Idaho.

Dear Mr. Parke:-

In accordance with our recent telephone conversation in regard to the Sunday mining property which is located on Rook's Cree, about 1½ miles from its confluence with Warm Springs creek about three or four miles above Warm Springs resort.

First I will say that I have been on the property several times, and have spent some time upon different occasions, in a careful observation of the surface physical and geological aspects, and having at that time access to a number of maps and other engineering datum prepared by Boston-Idaho Co., which from appearances on the ground, spent a lot of money for preparation for an extensive development. One of these maps showed the survey of the lower adit tunnel with the portal just above the millsite on Rook's Creek, and extending a little more than 1200 feet, in a northeasterly direction toward the apex of the mountain at an elevation of more than a thousand feet above the tunnel level.

At the face of this tunnel no ore is shown, however it does show ore at two places about mid way. From the course of the tunnel as shown on the map, and the location of the ore as shown on the ground from ten or fifteen other tunnels and open cuts, shafts and trenches, the main tunnel was pointed in the wrong direction, however it still may be of use by cross cuts located by actual survey in the right places which should intercept the ore bodies as shown in the upper workings, at depths from five to eight hundred feet. It was the dumps at these various upper workings to which I refered in our conversation, which Dr Teed told me before I had ever seen the place, that he and Mr. Bert Shirt, of Hailey, spent several days sampling and measuring and estimated that there could be ½ million tons of ore that would mill nine dollars per ton. To yield this amount of ore of any kind would rewuire approximately thirty eight miles of tunnel or stopes five by seven feet in area, and from all the maps I have seen, and from the works shown at the surface, I would say their estimate would be much too high, altho some of the dumps will run much higher than nine dollars. Then in the upper works where I made a brunton survey for a raise there is quite a volume of ore that will run from thirty to eighty dollars per ton. when I was there the last time Joe Freed was in charge of the raise work, and if you can get in touch with him, he can give you some dependable information on that part of the property. Also Oscar Anderson worked there for some time, and what either of these men tell you will be as good information as you can get.

MOONLIGHT MINING COMPANY
Missoula, Montana

As you probably already realize, this property is in a rather tough spot for year round operations, as the good ones usually are, but by working the place from the Rook's creek campmillsite and camp, through the winter months, and the upper works during the summer, untill development could be extended from the main tunnel, I believe the job could be made to pay its own way.

If properly shaped up for presentation to investors, it is certainly one that would raise money sufficient to caryy on in a safe economical manner, and I believe would pay handsome dividends to the investors.

I am enclosing for your information, my letter to Mr. W.R. New, under date of Aug 29th,

Sincerely Yours,

Missoula, Montana.
c/a Palace Hotel.

SIGNED Frank E. Hobson

1 encl.
letter tp W.R.N.

THIS IS A
TRUE COPY

Report for the Sun Valley Lead-Silver Mines, Inc., on the Sunday Group situated at Boyle Mountain-Warm Springs M.D. Blaine County, Idaho.

At the request of the company officials I made a trip over the ground in question, in the company of John R. Thornton, Supt., and beg to report as follows.

It was my first trip to this section of the country and I was much pleased with the evidence of strong mineralization and the large amount of work done many years ago, all of it or at least the larger part by hand.

HOLDINGS & LOCATION:

The company has a ten(10) year lease on seven(7) patented and twenty(20) unpatented claims, with no down payments; a $50,000.00 purchase price and royalty of 12½%; a very good deal. The claims are all located on the east slopes of Boyle Mountain and on the west side of Rook's Creek about a mile and a half from the main highway up Warm Springs creek. Most of the workings are reached by a truck road which, zig zags up the steep slopes of the mountain. The hillside is pretty well covered with soil, making it favorable for road construction. No rock work was at any point.

There are good camp sites at various points on the mountain and a slendid one on Rook's Creek in the gulch at the bottom where the road leads to the main highway.

Geology:

None of the old workings were entered but the productive veins where worked were apparently in the granite. South of the Sunday workings, croppings of limestone were observed; they were also observed further down the mountain to the east indicating a granite lime contact running in a general easterly direction. Whether this was prospected where the veins intersected is not known.

There seems to be a general east-west vein system with probably some south-north intersecting veins. Most of the work appears to have been done on the east-west system.

The ore on the surface carries high lead-silver values as the old timers concentrated on this, taking out all of the vein and sorting out the high grade, as a result the dumps are all mill ore, which at the present time is being hauled six(6) miles to the company flotation mill in Bassett Gulch just off the main highway.

Due to the fact that the old workings are inaccessable at this time it is impossible to say whether the country is faulted or not. As mentioned before, there is considerable overburden in most places so that the geological conditions are not to apparent.

Dumps:

Due to the fact that there was considerable low grade ore in the veins, large dumps of ore were accumulated at the various workings, considerable quartz was observed on some of these dumps with sulphides of lead, zinc and iron.

Quite a large number of samples were taken from the dumps last summer and mill tests made, with very gratifing results, so much, so that a modern flotation mill was decided on and built at a point near the mouth of Bassett Gulch. This is now in operation on ore hauled down from the dumps on the Sunday and Ontario claims. An estimated tonnage of 200,000 tons of good mill ore is available and should provide for three years of mill operation.

CONTINUED:

At present a little under 100 tons a day are being treated, producing a concentrate of 53% lead and 113 Oz of silver. The mill can be increased to treat 200 tons daily with the addition of another ball mill. No zinc concentrate is being made at present, due to repairs on the zinc filter.

There is some loss in tailings from the sliming of the ore, but this is being corrected by the addition of some different reagents. Milling costs are $1.50 per ton and haulage costs from the dumps are also $1.50 per ton. The operation promises to be a very favorable one for some years to come.

Summary:

Aside from the splendid dump ore situation, there is a very good chance of opening up fine ore shoots with deep development, with the opening up of some of the old workings.

According to available information a tunnel was driven into the south east from the foot of the hill, some 1200 feet to tap the upper workings on the Sunday and Ontario at depth. The face shows no ore, but ore was encountered about half way in. This tunnel is estimated to be some eight hundred feet below the old workings. If funds can be made available it should be opened up, examined and surveyed as should some of the other old tunnels higher up on the mountain. From all the information available, the chances for making a good paying proposition are very favorable and should not be passed up.

Respectfully Submitted

Harry Gibbs

Harry Gibbs E. M.
Graduate of Michigan College of Mines
at Houghton, Michigan. Class of 1907

Hailey, Idaho. May 16, 1951

SUN VALLEY LEAD SILVER MINES, INC.
(an Idaho Corporation)
P. O. Box 57 Ketchum, Idaho

BALANCE SHEET AS AT DECEMBER 31, 1950:

ASSETS

Cash in bank	$ 21 863 41
Mining equipment and trucks, at cost	12 512 57
Mill (incomplete) construction and mill supplies, at cost	36 756 17
Office equipment, at cost	786 27
Mining properties:	
New Hope Trust, Warm Springs Creek Mining District, Blaine County, Idaho. 12 unpatented claims, of which 3 are held on lease totalling $50,000.00 due before December 14, 1955. Cash payments thereon total $2,050.00	
Sunday Mines, Warm Springs Creek Mining District, Blaine County, Idaho. 6 patented claims, and an undivided one-half interest in 1 patented claim, and 22 unpatented claims. Lease totals $50,000.00 due before March 14, 1960. Cash paid thereon totals $1,500.00, together with 10,000 shares of capital stock 10¢ par, $1,000.00	
War Dance, Mineral Hill Mining District, Blaine County, Idaho. 5 unpatented claims. Lease totals $15,000.00 and is due before July 20, 1955. Cash payments total $300.00	
Silver Star Group, Little Smoky Mining District, Camas County, Idaho. 11 patented claims. Lease totals $40,000.00 and is due before October 1, 1955	
Total paid on property account	4 850.00
Development expenditure on mining property	96 028 14
Deferred charges:	
Advance deposit to Idaho Power Company for line to mill	8 978 00
	$181 774 56

LIABILITIES

	Shares		
Payroll taxes			$ 1 309 83
Contract payable			2 275 00
Share Capital:			
Authorized $300,000.00 divided into 3,000,000 shares of 10¢ par value each			
Subscribed and issued, fully paid:			
For cash	2,043,895	$204 389 50	
For purchase of property and lease	10,000	1 000 00	
For development services and expenses	722,000	72 200 00	
Totals	2,775,895	$277 589 50	
Less discount on shares issued		99 399 77	178 189 73
			$181 774 56

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Wash.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May 1953 Docket No. DMEA 1936 Contract No. Idm-E-160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 57 - Ketchum, Idaho.
Contract Amount, $ 28,384.00 Government Participation: 50% Amount, $ 14,192.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	396.92	8551.75	8948.67	396.92	8870.50	9261.93
Supervision	450.00	3062.04	3512.04	450.00	2743.29	3187.50
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		1813.40	1813.40		1877.08	1877.08
Pipe					87.21	87.21
Track					26.93	26.93
Supplies	214.16	3171.18	3385.34	214.16	306.64	540.26
Drill Steel					1495.36	1495.36
Power					988.87	988.87
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	224.99	1567.26	1792.25	224.99	1567.26	1792.25
(5) Initial Rehabilitation and Repairs		861.25	861.25		173.25	173.25
(6) New Bldgs., Improvements, etc.					688.00	688.00
(7) Miscellaneous:						
Repairs to Equipment	8.67	395.36	404.03	8.67	414.52	423.19
Sampling and Analysis						
Payroll Taxes	32.18	443.96	476.14	32.18	443.76	475.48
Liability Insurance	48.65	663.35	712.00	48.65	663.35	711.56
Transportation					183.33	183.33
(8) Contingencies (specify): Deletion		441.96	441.96		441.96	441.96
TOTALS	1375.57	20,087.59	21,463.16	1382.85	20,087.39	21,470.24

I certify that the above bill is correct and just and that payment therefor has not been received.

Date June 2, 1953 Payee J. R. Thornton
Sun Valley Lead-Silver Mines, Inc.
Per _____ Title Sec'y-Treasurer.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 691.43

Signature _____ (Authorized Certifying Officer)

Date 6/15/53 Vou. No. 788 (See other side)

Conforms to audit of 4/22/53.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-160 in accordance with the terms of the contract.

Signature Verdo E. Johnson Title Mining Eng. Date 6-4-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. L. E. Howard Title M. Eng. Date 6/13/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 1936 Contract No. Idm-E-160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 57 - Ketchum, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Amend.#5	1375.57	44'		223'	7630.74	250'	6250.00
Crosscutting	5 & 7				371'	9231.04	320'	8000.00
Raising	8				126'	2922.57	103'	2575.00
Shafts								
Winzes								
Drilling: Core	Amend.#4				293'	1196.44	1000'	4500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1375.57						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date June 2, 1953. Operator J. R. Thornton
Sun Valley Lead-Silver Mines, Inc.
Per _____ Title Sec'y-Treasurer.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

Written: June 2, 1953.

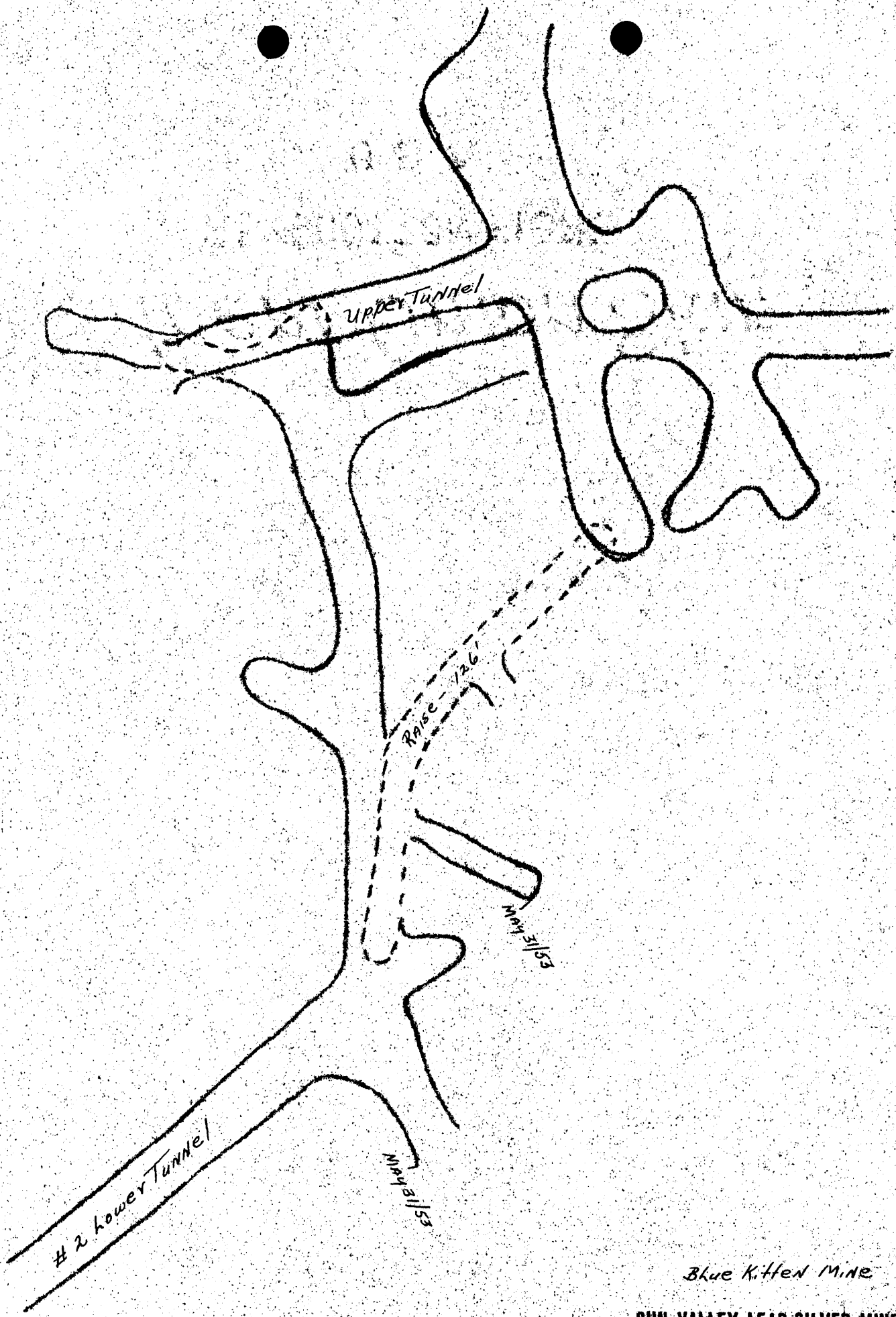
Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on Progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc. For month of May, 1953.

During the month of May, a total of forty-four (44) feet of drifting was done.
Twenty-two (22) feet of drifting was done between the lower and upper workings of the mine, off the recent raise that was completed. A fault was followed, no ore was encountered.
Twenty-two (22) feet of drifting was done to the Southeast on the vein structure in the lower #2 tunnel. Several stringers of ore has been cut with a reverse dip to the vein. We are continuing on with this drift.

Footage was held down due to starting a drift off in the raise, and starting a drift off the main level. Extra slabbing was done, and a switch put in on this level.

John R. Thornton
John R. Thornton
Sec'y-Treasurer.



Blue Kitten Mine

SUN VALLEY LEAD-SILVER MINES, INC.
KETCHUM, IDAHO

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R108.8
Defense Minerals Exploration Administration
RECEIVED
JAN 12 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 1936 Contract No. Idm-E-160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 57 Ketchum, Idaho.
Contract Amount, $ 28,384.00 Government Participation: 50 % Amount, $ 14,192.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	607.59	7944.16	8551.75	607.59		
Supervision	225.00	2837.04	3062.04	225.00		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		1813.40	1813.40			
Pipe						
Track						
Supplies	178.47	2992.71	3171.18	178.47		
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	163.97	1403.29	1567.26	163.97		
(5) Initial Rehabilitation and Repairs		861.25	861.25			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	24.18	371.18	395.36	24.18		
Sampling and Analysis						
Payroll Taxes	26.93	417.03	443.96	26.93		
Liability Insurance	42.36	620.99	663.35	42.36		
(8) Contingencies (specify): Deletion		441.96	441.96			
TOTALS	1268.50	18,819.09	20,087.59	1268.50	18,819.09	20,087.59

See Handwritten memo 5/5/53

I certify that the above bill is correct and just and that payment ~~therefor has~~ not been received.
Date Jan. 2, 1953 *Payee John R. Thornton
Sun Valley Lead-Silver Mines,
Per _____ Title Sec'y-Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 634.25
Signature _____ (Authorized Certifying Officer)
Date 1/7/53 Vou. No. _____
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 16 G in accordance with the terms of the contract.

Signature /s/ Edward W Buel Title Mining Engr Date 1/5/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E Howard Title Mining Engr Date 1/5/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1952 Docket No. DMEA 1936 Contract No. Idm-E-160

Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc

Address P.O. Box 57 Ketchum, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	6				179'	6255.17	250'	6250.00
Crosscutting	5 & 7				371'	9231.04	320'	8000.00
Raising	8	1268.50	46'	1654.07	126'	2922.57	103'	2575.00
Shafts								
Winzes								
Drilling: Core Amend.#4					293'	1196.44	1000'	4500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1268.50						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Jan. 2, 1953 Operator John R. Thornton

Per Sun Valley Lead-Silver Mines, Inc. Title Sec'y-Treasurer.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

Written:
January 2, 1953.

Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc. for month of November, 1952.

From November 1st. to November 22nd. inclusive, a raise was completed, 46 feet, from the #2 level to the #1 level of the mine. This makes the distance of said raise, 126 feet. The ore in the raise, which was cut at seventy-five feet up, was of a much higher grade than what was mined in the upper workings. Not enough work has been done as yet, to fully determine the rake or the length of ~~of~~ the ore shoot.

Since the raise was completed, no work has been done on the government contract. At present, mining operations are closed down, and possibly will not get started again until the first of March, 1953.

Due to heavy snows, it was impossible to get an engineer to the mine to map the work done in November. Mr. V.Z. Johnson, of the Bureau of Mines, has mapped the raise and where the ore was intersected.

John R. Thornton
John R. Thornton
Sec'y-Treasurer.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. 544

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Spokane, Washington 11/25/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E160

To Sun Valley Lead-Silver Mines, Inc.
(Payee)

Box 57, Ketchum, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	October 1952	As per attached certified form MF-104 dated 11/14/52				827	03
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	827	03

(Payee must NOT use this space)

Differences .....

Account verified; correct for 827 03

(Signature or initials) .....

Contract No. Idm-E160 Date Req. No. Date Invoice Rec'd.

827.03

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	827.03	827.03

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22000a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

Form Pr-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 1936 Contract No. Idm-160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address Box 57 - Ketchum, Idaho.
Contract Amount, $ 28,384.00 Government Participation: 50% Amount, $ 14,192.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	813.85	7130.31	7944.16			
Supervision	225.00	2612.04	2837.04			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		1813.40	1813.40			
Pipe						
Track						
Supplies	193.62	2569.00	2762.62	320.37	2672.34	2992.71
(4) Operating Equipment:						
Rental	224.99	1178.30	1403.29			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		861.25	861.25			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		371.18	371.18			
Sampling and Analysis						
Payroll Taxes	16.32	400.71	417.03			
Liability Insurance	53.54	567.45	620.99			
Transportation	25.00	133.33	158.33	-0-	-0-	-0-
Power	101.75	878.23	979.98	-0-	-0-	-0-
(8) Contingencies (specify):						
Totals	1654.07			1654.07	17165.02	18,819.09

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11-14-52 *Payee Sun Valley Lead-Silver Mines, Inc.
John R. Thornton
Per _____ Title Sec'ly-Treasurer.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 827.03

Signature _____ (Authorized Certifying Officer)

Date 11/24/52 Vou. No. _____
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 1936 Contract No. Idm-160

Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc

Address Box 57 - Ketchum, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	6				179'	6255.17	250'	6250.00
Crosscutting	5&7				371'	9231.04	320'	8000.00
Raising	8	1654.07	80'	1654.07	80'	1654.07	103'	2575.00
Shafts								
Winzes								
Drilling: Core Amend. #4					293'	1196.44	1000'	4500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		1654.07						
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Sun Valley Lead-Silver Mines, Inc.

Date ~~October~~ November 14/52 Operator John R. Thornton

Per _____ Title Sec'y-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

November 1, 1952.

Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc.

During the month of ~~November~~ October, a raise is being run from the #2 level to the #1 level. This raise, on November 1st., was up eighty (80) feet. It is approximately 135 feet between the two levels on the inclination that the raise is being run. Two faults have been gone through, which made the ground loose and blocky. This slowed the headway down, some-what, as this bad ground had to be timbered up.

No ore of commerical value has been cut in the raise at yet. Two small stringers of ore were cut at eighty (80) feet.

John R. Thornton

John R. Thornton
Sec'y-Treasurer.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. 511

Bu. Vou. No.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Spokane, Wash.
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., *Payee's Account No.* Idm-E160

To Sun Valley Lead-Silver Mines, Inc.
(Payee)

P. O. Box 57, Ketchum, Idaho
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	Sept. 1952	As per attached certified form MF-104 dated 10/30/52				1,055	02
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 1,055 02

(Payee must NOT use this space)

Differences

Account verified; correct for 1,055 02

(Signature or initials)

Contract No. Idm-E160 Date Req. No. Date Invoice Rec'd.

1,055.02

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	1,055.02	1,055.02

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53
Defense Minerals Administration
RECEIVED
NOV 21 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 1936 Contract No. Idm-E-160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 57 - Ketchum, Idaho.
Contract Amount, $28,384.00 Government Participation 50 % Amount, $14,192.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	990.60	6139.71	7130.31	990.60		
Supervision	225.00	2387.04	2612.04	225.00		
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	480.89	1332.51	1813.40	480.89		
Pipe						
Track						
Supplies	103.34	2569.00	2672.34	103.34		
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	173.09	1005.21	1178.30			
(5) Initial Rehabilitation and Repairs		861.25	861.25			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	23.07	348.11	371.18			
Sampling and Analysis						
Payroll Taxes	47.24	353.47	400.71			
Liability Insurance	66.80	500.65	567.45			
~~Transportation~~	~~25.00~~	~~108.33~~	~~133.33~~			
~~Power~~	~~78.34~~	~~799.89~~	~~878.23~~			
(8) Contingencies (specify):						
Delivery - See Attach 10/24/52		(441.96	(441.96)			
TOTALS	2110.03	15054.99	17165.02	2110.03	15054.99	17165.02

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10-30-52 *Payee John R. Thornton

Per _____ Title Sec'y-Treasurer.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 10550.02

Signature _____ (Authorized Certifying Officer)

Date _____ Vou. No. _____

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 1936 Contract No. Adm-E-160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address P.O. Box 57-Ketchum, Idaho.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	6	2110.03	40'	4165.14	179'	6255.17	250'	6250.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Amend #4				1196.44	233'	1196.44	1000'	4500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2110.03						Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 30, 1952 Operator Sun Valley Lead-Silver Mines, Inc.

By John R. Thornton Title Sec'y-Treas.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

October 1, 1952.

Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on Progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc.

During the month of September, there was 40 feet of drifting done in the #2 North Drift. During the month, 2 diamond drill holes were drilled that was not charged to the project. The last two days of the month were spent getting ready to raise from the #2 level to the # 1 level. This raise is under way at present and will be reported in the October report.

John R. Thornton.

John R. Thornton
Sec'y-Treasurer.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. Work

Bu. Vou. No. DMA-464

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon (Give place and date) 10/24/52

THE UNITED STATES, Dr., Payee's Account No. Idm-Ex160

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

To Sun Valley Lead-Silver Mines, Inc., (Payee)

Box 57 (Address) Ketchum, Idaho (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	As per attached certified form MF-104 dated September 15, 1952				970	52

PAYMENT:
- Complete ☐
- Partial ☐
- Final ☐

Use continuation sheet(s) if necessary

Shipped from to Weight Government B/L No. Total ~~970~~ ~~52~~

(Payee must NOT use this space)

Differences

Account verified; correct for ~~970~~ ~~52~~

(Signature or initials)

Contract No. Idm-E-160 Date Req. No. Date Invoice Rec'd.

970.52

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	970.52	970.52

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Approved Budget Bureau No. 41-R038.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 1936 Contract No. Idm-160

Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc

Address Box 57-Ketchum, Idaho.

Contract Amount, $ 28,384.00 Government Participation: 50 % Amount, $ 14,192.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1174.42	4965.29	6139.71	✓	✓	✓
Supervision	450.00	1937.04	2387.04			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		1332.51	1332.51		✓	✓
Pipe						
Track						
Supplies	175.43	2257.06	2432.49	311.94 ~~155.97~~	2257.06	2,569.00 ~~2,413.03~~
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	224.99	780.22	1005.21	✓	✓	✓
(5) Initial Rehabilitation and Repairs		861.25	861.25		✓	✓
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	64.40	283.71	348.11	✓	✓	✓
Sampling and Analysis						
Payroll Taxes	68.24	285.23	353.47	✓	✓	✓
Liability Insurance	89.02	411.63	500.65	✓	✓	✓
Deletion				(441.96)		(441.96)
(8) Contingencies (specify):						
Diamond Drill Bit	40.38	241.02	281.40			
Power	90.59	709.30	799.89			
Transportation	25.00	83.33	108.33			
TOTALS	2402.47			1,941.05	13,113.94	15,054.99

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 15, 1952 Payee John R. Thornton

Per _____ Title Sec'y-Treasurer.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 770.52

Signature _____ (Authorized Certifying Officer)

Date 10/21/52 Vou. No. _____ (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 1936 Contract No. Idm-160

Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc

Address P.O. Box 57-Ketchum, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	6	745.99	30'	3419.15	139'	4165.14	250'	6250.00
Crosscutting	5-7	1065.99	25'	8165.05	371'	9231.04	320'	8000.00
Raising								
Shafts								
Winzes								
Drilling: Core Amend #4		590.49	155'	605.95	293'	1196.44	1000'	4500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2402.47						TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 15, 1952 Operator John R. Thornton

Per _____ Title Sec'y-Treasurer.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

September 1, 1952.

Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc.

During the month of August, there was driven 25 feet of cross-cut to the East, and 30 feet of drifting to the North. There was three diamond drill holes drilled, # 3 hole was driven 90 feet from the main East cross-cut, # 4 hole was an up hole for 15 feet from the # 2 West cross-cut, and # 5 hole was driven 50 feet to the East from the main adit cross-cut. # 3 diamond drill hole cut stringers of ore. These stringers were cross-cutted to, and of this date have been drifted on for a distance of 30 feet. There is a complete reverse dip on these ore stringers, from the dip that was taken on the vein in the upper workings. These stringers are dipping 65 degrees to the East. Picked sample ran 6.4 oz. silver, 0.9 lead(%) , 10.6% zinc. The # 4 diamond drill hole was to have been put up under the ore showing in the upper workings, but this machine would not drill an up hole.

As you will notice, our cross-cutting cost is much higher than our drifting. This is due to putting in switches and extra slabbing off which was charged to the cross-cut.

John R. Thornton
John R. Thornton
Sec'y-Treasurer.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-355

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 8/26/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-160

To Sun Valley Lead-Silver Mines, Inc.
(Payee)

Box 57, Ketchum, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	July 1952	As per attached certified form MF-104 dated August 15,1952				1,397	70
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	1,397	70

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,397 70

(Signature or initials) .....

Contract No. Idm-E-160 Date Req. No. Date Invoice Rec'd.

1,397.70

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior.	1,397.70	1,397.70

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-104 (Rev.)
(April 1952)

Wash

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

SEP 2 1952

Month of July, 1952 Docket No. DMEA 1936 Contract No. Idm-E 160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address Box 57-Ketchum, Idaho.
Contract Amount, $ 28,384.00 Government Participation: 50% Amount, $ 14,192.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
Drilling Diamond	138'	-	138'			
Bulldozing						
Crosscutting	51'	195	246'			
Drifting		109'	109'			
(2) Labor and Supervision:						
Labor	1284.69					
Supervision	450.00					
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	66.15					
Pipe						
Track						
Other-Freight	13.36					
Other-Supplies	147.16					
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	224.99					
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	80.26					
Sampling and Analysis						
Payroll Taxes						
Liability Insurance	97.29					
FICA-1½% Rate	26.03					
Employ. Comp. 2.7%	46.84					
(8) Contingencies (specify):						
Diamond Drill Bits	241.02					
Transportation	25.00					
Power	92.62					
TOTALS	2795.41		493	2795.41	10,358.53	13,153.94

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 15, 1952 *Payee John R. Thornton
Per _____ Title Sec'y-Treasurer

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1397.20

Signature WRL
(Authorized Certifying Officer)

Date 8/20/52 Vou. No. _____
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 160 in accordance with the terms of the contract.

Signature D R Irving Title Mining Engr. Date 8/22/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E Howard Title Mining Engr. Date 8/22/52

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

SEP 2 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 1936 Contract No. Idm-E 160
Operator's Name Sun Valley Lead-Silver Mines, Inc. Minerals Lead-Zinc
Address Box 57-Ketchum, Idaho.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	6			3419.15	109'	3419.15	250'	6250.00
Crosscutting	5&7	2189.46	51'	5975.59	246	8165.05	320'	8000.00
Raising								
Shafts								
Winzes								
Drilling: Core Amend.#4		605.95	138'		138'	605.95	1000'	4500.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails Amend.2&3				826.90		826.90		826.90
TOTAL DISTRIBUTED COSTS		2795.41	189	10,221.64				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Aug. 15, 1952. Operator John R. Thornton

Per _____ Title Sec'y-Treasurer.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

August 1, 1952.

Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc.

During the month of July, there was driven 51 feet of cross-cut to the East. There was two diamond drill holes drilled, one to the West for 52 feet, and one to the East for 86 feet, making a total of 138 feet of core drilling. Additional slabing off and putting in switches, slowed the progress down for the month. Longer gradual turns have to be made, due to the length of the Air Tramer.

We are now cross-cutting again to the East, and are in a wide mineralized zone.

The ore sample that was sent away for a spectrographic analysis from the #2 West cross-cut, did not show any values.

John R. Thornton
John R. Thornton
Sec'y-Treasurer.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-305

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 7/28/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 160

To Sun Valley Lead-Silver Mines, Inc.,
(Payee)

Box 57, Ketchum, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms Net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1952	As per attached certified form MF-104 dated May 7, 1952				1,369	58
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	1,369	58

(Payee must NOT use this space)

Differences .....

Account verified; correct for 1,369 58

(Signature or initials) .....

Contract No. Idm-E 160 Date Req. No. Date Invoice Rec'd.

1,369.58

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X1401	Revolving Fund, Defense Production Act, Interior	1,369.58	1,369.58

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.

   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 160

Wash. D.C.

Name of Operator Sun Valley Lead-Silver Mines, Inc.
Docket No. DMA 1936
Total Contract Amount $ 28,384.00
Government Participation: 50 % Amount $ 14,192.00
Distribution of Expenditures for Month of June, 1952.

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
AUG 1 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Sun Valley Lead-Silver Mines, Inc. By John R. Thornton
(Name of Company) (Signature of Authorized Official)

June 11th., 1952 Sec'y-Treasurer
(Date) (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	834.26	2274.19	3108.45		2,846.34	
5. Supervision	662.50	1396.69	2059.19		824.54	
6. Supplies						
(a) Timber						
(b) Explosives	513.15	907.84	1420.99		753.21	
(c) Repair Parts	155.45	48.00 ✓	203.45		48.00	
(d) Other	29.28	1044.81	1074.09		1038.61	
7. Power	156.87	459.81 ✓	616.68		459.81	
8. Transportation	17.82	49.49	67.31		40.51	
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	87.41	226.93	314.34		226.93	
(d) F.I.C.A.-Emp. Comp	62.84	149.52	212.36		149.52	
10. Contract Work						
11. Other (specify)						
New Tunnel Site		304.00	304.00		304.00	
Total	2755.42	7770.42**	10,525.84			
Deletions						
Adjusted totals						
Totals previously reported		7770.42**				
Totals to date	2755.42	7770.42	10,525.84	2,739.17	7579.36	10,318.53

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

**Reported as $7770.22 last report-Mistake of .20¢

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by J. Sanders

Entered by

Approved by Thomas E. Hogsand

Amount approved for payment $1,369.58

Remarks Equipment rental — 1 mine car @ 5 x 2 allowed

16—64068-3

SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

July 1, 1952.

Bureau of Mines
1201 N. Division St.
Spokane 2, Washington.

Report on progress made at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc.

During the month of June there was driven 59 feet of drift and 34 feet of cross-cut, making a total of 93 feet of tunnel work done during the month.

As yet the main ore sheet has not been cut. According to the dip of the rock in the lower tunnel, the ore body has changed its dip, and dipped East into the hill instead of a Westerly dip which it had in the upper tunnel. Drifting and cross-cutting are continuing on the #2 level of the mine.

In the #2 West Cross-cut, a wide calcite vein has been cut. No values could be seen, but a sample was cut and sent in to be assayed. No report has been received as yet on this sample.

John R. Thornton
John R. Thornton
Sec'y-Treasurer.

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

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....
DMA-282
Bu. Vou. No. .....

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 7/3/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 160

To Sun Valley Lead-Silver Mines,
(Payee)

Box 57, Ketchum, Idaho
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	April 21 to May 31 1952	As per attached Certified Form MF-104				2,508	98
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	2,508	98

(Payee must NOT use this space)

Differences .....

Account verified; correct for 2,508 98

(Signature or initials) .....

Contract No. Idm-E 160 Date Req. No. Date Invoice Rec'd.

2,508.98

MEMORANDUM

7 1952

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,508.98	2,508.98

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 160

Name of Operator Sun Valley Lead-Silver Mines, Inc.
Docket No. DMA 1936
Total Contract Amount $ 28,384.00
Government Participation: 50 % Amount, $ 14,192.00
Distribution of Expenditures for Month of April 21, to May 31, 1952.

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 - 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Sun Valley Lead-Silver Mines, Inc. By John R. Thornton
(Name of Company) (Signature of Authorized Official)

June 4, 1952. Sec'y-Treasurer.
(Date) (Title)

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

16—64068-3

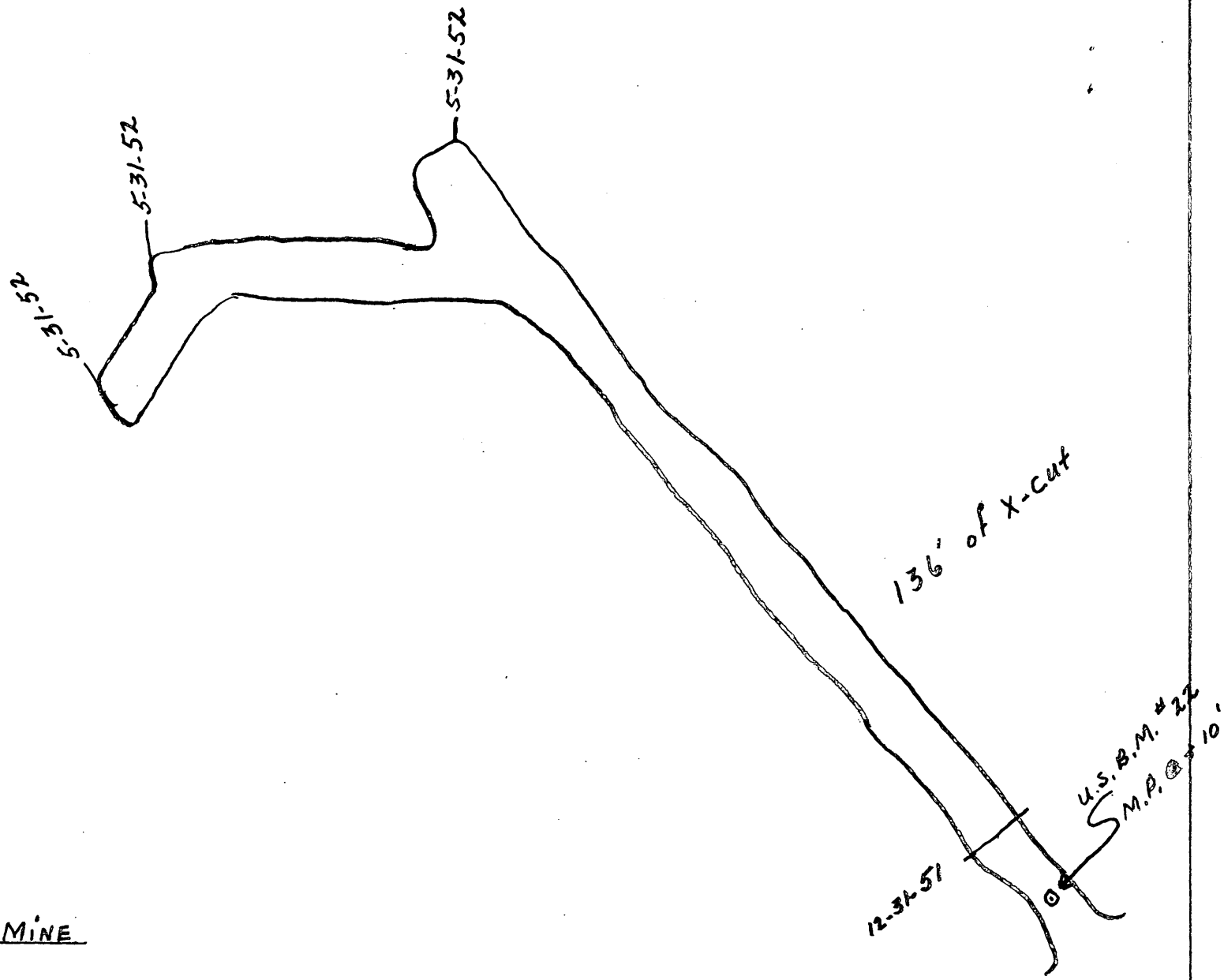
SUN VALLEY LEAD-SILVER MINES, INC.
P.O. BOX 57
KETCHUM, IDAHO.

June 1, 1952.

Mining operations commenced again at the Blue Kitten Mine, property of the Sun Valley Lead-Silver Mines, Inc., April 21st., Since that date there has been driven 141 feet of cross-cut and 50 feet of drift. Making a total of 191 feet of tunneling.

The drift is now being driven on a small stringer of ore, and looks very encouraging. According to the company's survey, we are within 25 feet of the ore shoot that was mined on the upper level.

Signed John R. Thornton
John R. Thornton
Sec'y-Treasurer.



BLUE KITTEN MINE

SUN VALLEY LEAD-SILVER MINES, INC.

1" = 20'

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1553.05	721.14	2274.19			
5. Supervision	1177.94	218.75	1396.69			
6. Supplies						
(a) Timber						
(b) Explosives	802.28	105.56	907.84	647.65		
(c) Repair Parts	48.00	none	48.00			
(d) Other	661.16	383.65	1044.81	649.96		
7. Power	248.30	211.51	459.81			
8. Transportation	33.98	15.51	49.49	25.00		
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	160.66	66.27	226.93			
P.I.C.A.-Emp. Comp.	114.56	34.70	149.52			
10. Contract Work						
11. Other (specify)						
New Tunnel Site.		304.00	304.00			
Total	5209.02	2561.20	7770.22			
Deletions						
Adjusted totals						
Totals previously reported		2561.20		5017.96		7579.16
Totals to date	5209.02	2561.20	7770.22			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by J. Sanders
Entered by
Approved by Thomas E. Hennessy
Amount approved for payment $ 2,508.98
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April 21, to May 31, 1952.

(Supply Data Below Applicable Only to Your Operations)

*Reported 24 ft. on first report, mistake.

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	1080.52	78.61	430.42	51.65	1641.20		50	none	50	250(para. 6)
Crosscutting	1650.47	157.23	668.16	918.71	3394.57		141	*20	161	195(para. 5)
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails	173.25				173.25		173.25	653.65	826.90	Amendent#3 ($700.00)
Test pits										
Other (specify)										
Totals	2904.24	235.84	1098.58	970.36	5209.02		191	*20	211	

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 160

Name of Operator SUN VALLEY LEAD-SILVER MINES, INC.
Docket No. DMA 1936
Total Contract Amount $ 28,384.00
Government Participation: 50 % Amount, $ 14,192.00
Distribution of Expenditures for Month of December 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
FEB 25 8 47 PM '52

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

SUN VALLEY LEAD-SILVER MINES, INC.
(Name of Company)

By John R. Thornton
(Signature of Authorized Official)

February 14, 1952
(Date)

Secretary-Treasurer
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities Road	384.00	None	384.00			
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]	116.05	none	116.05			
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

SUN VALLEY LEAD-SILVER MINES, INC.

P. O. Box 57 Ketchum, Idaho

Defense Minerals Administration
Bureau of Mines
1231 North Division Street
Spokane, Washington

Gentlemen:

During the month of December 1951, work accomplished at the Blue Kitten property of the Sun Valley Lead-Silver Mines, Inc., under Performance of Work, consisted of building a new road, bulldozing out for a new tunnel site, and 22 feet of crosscutting.

A map will accompany the next monthly report.

Due to heavy snows in the area, operations are closed down until Spring.

Very truly yours,

John R. Thornton

John R. Thornton, Secretary-Treas.

February 16, 1952

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]	721.14	none	721.14			
5. Supervision	218.75	none	218.75			
6. Supplies						
(a) Timber						
(b) Explosives	105.56	none	105.56			
(c) Repair Parts						
(d) Other	383.65	none	383.65			
7. Power	211.51	none	211.51			
8. Transportation	15.51	none	15.51			
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	66.27	none	66.27			
FICA-Employ. Comp.	34.75	none	34.75			
10. Contract Work						
11. Other (specify)		none				
New tunnel site	308.00	none	308.00			
Total	2561.20	none	2561.20			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Thomas E Howard
Amount approved for payment
Remarks

128069

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF DECEMBER 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting	756.07	99.11	631.83	116.54	1603.55	FEET	24	none	24	195 (paragraph 5)
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation				304.00	304.00		304.00			Amendment 2
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails	183.82	16.94	68.89	384.00	653.65		653.65	none	653.65	684.00 (paragraph 1)
Test pits										
Other (specify)										
Totals	939.89	116.05	700.72	804.54	2561.20					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

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UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: J. W. Alt May 13, 1955

1. Docket No. DMA-1936 (Lead-Zinc)
Contract No. Idm-E160
Property: Blue Kitten Mine
Blaine County, Idaho

Operator: Sun Valley Lead-Silver Mines, Incorporated
Box 57
Ketchum, Idaho

Operator's Property Rights: Lessee
Lease and Option Agreement - dated June 11, 1951
Landlord's Subordination Agreement - dated July 14, 1951

2. Contract dated September 25, 1951, to complete - 2 years.

Work Authorized

To explore for lead and zinc by drifting, crosscutting and raising on the Blue Kitten claims.

Work to consist of and estimated costs:

1.	Improve 3/4 mile of road from Forrest Service Road to Mine workings	$ 384.00
2.	Drive 250 feet of drift on No. 1 tunnel level @ $25.00 per foot	6,250.00
3.	Drive five 25-foot crosscuts from the drift on 50 foot centers to explore the width of the mineralized structure. 125 feet @ $25.00/ft.	3,125.00
4.	Drive 60-foot of raise from No. 1 tunnel level to surface @ $25.00/ft.	1,500.00

5.	Drive 195 feet of adit to intersect vein at lower level @ $25.00/ft.	4,875.00
6.	Drive 250 feet of drift on adit level @$25.00/ft.	6,250.00
7.	Drive five 25-foot crosscuts from drift to explore vein width, total 125 feet @ $25.00/ft.	3,125.00
8.	Drive 103 feet of raise from lower adit to No. 1 tunnel level @ $25.00/ft.	2,575.00
	Total estimated cost of project	$28,384.00
	Government's participation @ 50%	$14,192.00

Amendments

No. 1 Dated September 25, 1951, effective date - date of contract

Delete "Labor and Supervision" of "Exhibit "A" and change rates to be paid.

No. 2 Dated February 14, 1952, effective September 25, 1951

Change in allowable cost of bulldozing.
Change cost of transporting employees to and from.

No. 3 Dated May 12, 1952, effective April 1, 1952

To Exhibit "A" of the contract add:

1. "The cost of reopening and rehabilitating the mine access road shall be allowable as a cost of the project to a maximum of $700.00".

2. In Exhibt "A" of the contract, page 1, under "Performance of the work", change Item 2 to read as follows: "Drive 22 feet of drift on the No. 1 tunnel level at $25.00 per foot - $5,550.00".

3. In Exhibit "A" of the contract, page 2, under "Operating Equipment" delete: 1 compressor - $6,000.00 and substitute - 1 compressor 12,000.00 value - monthly allowance for depreciation $100.00

Amendments (continued)

No. 4 Dated August 21, 1952, effective July 1, 1952

To Exhibit "A" of the contract, page 1, under "Performance of Work", add the following paragraph:

"One thousand feet of diamond drilling at $4.50 per foot shall be allowable to the project. Costs for this work shall be deleted from funds allotted to crosscutting and raising on and above the No. 1 tunnel level."

1,000 feet of diamond drilling at $4.50 per foot - $4,500.00

No. 5 Dated December 11, 1952, effective November 1, 1952

Under "Performance of Work", add the following:

A maximum of 60 feet of intermediate crosscut shall be driven from the raise which connects the upper and lower levels of the Blue Kitten mine. All crosscutting shall be done south and east of the raise. Costs of this work shall be deducted from the funds allotted to drifting, crosscutting, and raising on the No. 1 tunnel level.

600 feet intermediate crosscut and drift @ $35.00 - $2,100.00

Work Completed

223 feet of drifting	$ 7,630.74
371 feet of crosscutting	9,231.04
126 feet of raising	2,922.57
293 feet of diamond drilling	1,196.44
Repairs, payroll taxes, transportation, etc.	489.45
Total accepted cost	$21,470.24

Work on the project was started in December 1951. No project work was done after June of 1953. The project was terminated by mutual agreement on October 15, 1953.

3. Audit Certificate - Report of Review dated February 12, 1954

Total cost as billed by Contractor		$21,463.16
Exceptions by DMEA Finance Officer	$12.38	
Less: Reinstatement by DMEA Auditors	19.46	7.08
Total accepted cost		$21,470.24
Government's Participation @ 50%		$10,735.11

4. Certification of Discovery - No certification was made as the property was not successful in disclosing ore.

5. Comments

Project work did not encounter any difficulties except for winter snows. The poor financial condition of the Company hampered the project on a few occasions.

Although traces and a few scattered pods of lead-zinc sulfide ore were found by the exploration workings, these occurrences did not constitute a discovery.

Further exploration at the Blue Kitten Mine should be directed toward diamond drilling the southeast continuation of the ore deposit from points on surface located between the Lower and Lowest Adits. Government participation in such drilling would be justified if the Operator were to present proof that he was financially able to support his share of the drilling costs.

J. W. Alt

J. W. Alt

JWA/er 5/18/55

Copy to: Docket
Base Metals
Chron.

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PROJECT SUMMARY REPORT N.S. in R.R.

By: A. G. Keating Date: December 3, 1953

1. DMEA 1936 (Lead-Zinc)
   Contract No. Idm-E160
   Blue Kitten Mine
   Blaine County, Idaho

Operator: Sun Valley Lead-Silver Mines, Inc.
John R. Thornton - Secretary-Treasurer
Box 57
Ketchum, Idaho

Operator's Property Rights: Lease and Option to buy for $15,000.00 dated June 11, 1951. Landlord's Subordination Agreement dated July 14, 1951.

Contract dated September 25, 1951 - Form (MF-200-5) to be completed within 2 years - September 25, 1953.

Work Authorized:

1.	Improve 3/4 mile road with bulldozer 6 days at $8.00 per hr. and 2 men with jackhammers - compressor, etc.	$ 684.00
2.	Drift on No. 1 tunnel level 250 ft. @ $25/ft.	6,250.00
3.	Crosscut from above drift at 50 ft. intervals 5 - 25 ft. crosscuts - 125 ft at $25. per foot	3,125.00
4.	Raise from No. 1 tunnel level to surface 60 ft. @ $25 per foot	1,500.00
5.	Drive adit to intersect vein at lower levels 195 ft. @ $25 per foot	4,875.00
6.	Drift on adit level 250 ft. @ $25 per foot	6,250.00
7.	Crosscut from above adit drift @ 50 foot intervals 5 - 25 ft. crosscuts - 125 ft. @ $25/ft.	3,125.00
8.	Raise from lower adit to No. 1 tunnel level 103 feet @ $25/ft.	2,575.00
	Total estimated cost of project	$28,384.00
	Government participation at 50 %	14,192.00

Work Completed - 6/1/53

Drifting 223 ft. @	per foot $34.22	$ 7,630.74
Crosscutting 371 ft. at	per foot $24.88	9,231.04
Raising 126 ft. at	per foot $23.20	2,922.57
Diamond drilling 293 ft. at $4.08		1,196.44
Misc. repairs taxes etc.		489.45
	Total Expenditures allowed	$21,470.24
	Contract funds unexpended	6,913.76

Amendments

10/9/51	Amendment No. 1	For payment of labor at shift rates.
2/14/52	Amendment No. 2	Excavation by bulldozing portal site for lower adit level. Transporting employees to and from work. Change salary shift basis $400 to $450. (No increase cost of project)
5/12/52	Amendment No. 3	Rehabilitation access road Change of work Substitute equipment to be furnished by the Operator. (No increase cost of project).
8/21/52	Amendment No. 4	Change of work to provide for 1,000 ft. diamond drilling at $4.50 per foot deleted from crosscutting and raising on and above No. 1 tunnel level (No increase cost of project)
12/11/52	Amendment No. 5	Change of work to provide for 60 feet intermediate crosscut from raise at $35/ft. deleted from drifting, crosscutting and raising No. 1 tunnel level. (No increase cost of project).

Comments:

The efficiency of the work has been satisfactory and although there is approximately $6,000.00 remaining unexpended there is little to encourage further exploration. Additional work appears to be unwarranted.

There have been a few patches of sphalerite exposed along joints and bedding planes. As the work advanced the vein became weaker with more oxidation. Two samples of the vein material averaged Ag. 1.26 ozs, PB 1.25 per cent, Zn 1.64 per cent. The purpose of the project was to explore for ore along the vein by extending previous workings and to drive an adit at lower elevations to intersect the vein and from this drift along the vein. The work disclosed a few patches of spalarite along joints and bedding planes. The vein became weaker with more oxidation as the work advanced. Two samples of vein material

averaged Ag 126 oz., Pb 1.25 per cent, Zn 1.64 per cent. The efficiency of the work has been satisfactory and although approximately $6,000.00 of contract funds remains unexpended, favorable indications are not sufficient to warrant further expenditure of funds.

Although exploration had been unsuccessful, the Field Team planned a small amount of surface drilling as a last hope realizing that at best only a insignificant discovery could result. However, the company was found to be virtually defunct and could not undertake even a small amount of work. The officials of the company were about to disperse to uncertain destinations and because of the unusual circumstances Kiilsgaard of the Field Team arranged a "Termination by Mutual Consent" agreement signed by the secretary and the vice-president of the company and by himself for the Executive Officer.

All supplies purchased for the project have been expended and the Covernment had no interest in equipment. Government had paid their share of all invoices to the satisfaction of the Operator confirmed by letter. The Field Team has a complete record of work done, maps, assay data, etc. The project has not exposed a significant ore body and Certification of Discovery cannot be recommended.

Although the results of the work were unfavorable, some small mineralization was disclosed and as a precautionary measure it might have been well to include a provision for payment of royalty in case the project again became active within the 10 year period.

A. G. Keating.

☒ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/8/54.
Incl. Voucher for May 1953

☒ Actual Cost

☐ Agreed Unit Costs

Name Sun Valley Lead-Silver Mines, Inc.

State Idaho.

Commodity Lead-Zinc

Docket No. DMEA-1936

Idm-E No. 160

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	765'	$19,125.00	594'	$17,278.93	$17,278.93
Raising	163'	4,075.00	126'	2,994.87	2,994.87
Shafts					
Winzes					
Drilling (Specify) D	1,000'	4,500.00	293'	1,196.44	1,196.44
Surface Excavation					
Underground Excavation					
Roads and Trails		684.00			
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$28,384.00		$21,470.24	$21,470.24

Prepared by W. K. Klingenschmid

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Surname

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

February 9, 1955

Memorandum

To: Chief, Contract Administration & Audit Division

From: Chief, Base Metals Division

Subject: Contracts for which no closing letters will be prepared

We have been advised not to prepare closing letters for the following contracts as too long a period has passed since the completion or termination of these contracts.

Docket No.	Contract No.	Operator
1593	Idm-E113	Ambassador Mines Corporation
1936	E160	Sun Valley Lead-Silver Mines, Inc.
2037	E159	Amadee Neugnet
1630	E182	American Zinc, Lead & Smelting Co.
208	E226	Linton Mines
2034	E273	White Pine Lead Company
1426	E287	Buckskin Mines, Inc.
2471	E313	Albert F. Carlson
2475	E318	Jim Creek Mines, Inc.

W. R. Griswold

WRGriswold/bjl

W. R. Griswold

Copy to: Docket (9)
Base Metals (9)
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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FEB 14 1955

FINAL F.T.Rpt.

February 9, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA-1936X (lead-zinc)
Sun Valley Lead-Silver Mines, Inc.
Blue Kitten Mine
Blaine County, Idaho
Contract No. Idm-E160

Dear Mr. Selfridge:

Enclosed are four copies of the Field Team final report on the above-captioned contract which has been prepared by Verdo Z. Johnson, mining engineer, Bureau of Mines, and Thor H. Kiilsgaard, geologist, Geological Survey.

As stated by the authors, the project exploration was unsuccessful; therefore, no Certification of Discovery or Development was issued. The Field Team concurs with the findings of the authors.

By Field Team, Region I, NW District

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

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

Enclosures
cc: DMEA(Orig.&3)
USBM(2)
Kiilsgaard

Reviewed by
DMEA OPERATING COMMITTEE
2-18-55
(date)

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I
Northwest District

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

FINAL REPORT

Contract Idm-E160

by

Verdo Z. Johnson
Mining Engineer
U. S. Bureau of Mines

Thor H. Killsgaard
Geologist
U. S. Geological Survey

SUN VALLEY LEAD-SILVER MINES, INC.
P. O. Box 57
Ketchum, Idaho

Docket No.:	DMA-1936X
Commodity:	Lead-zinc
Contract date:	September 23, 1951
Termination date:	October 15, 1953

Reviewed by
DMEA OPERATING COMMITTEE
2-18-55
(date)

BLUE KITTEN MINE
Warm Springs Mining District
Blaine County, Idaho

Spokane, Washington

February 1955

FINAL REPORT

SUN VALLEY LEAD-SILVER MINES, INC.
Blue Kitten Mine
Warm Springs Mining District
Blaine County, Idaho

Contract Idm-2160

* * * *

INTRODUCTION

This final report describes a lead-zinc exploration project conducted jointly by the Defense Minerals Exploration Administration and the Sun Valley Lead-Silver Mines, Inc., at the Blue Kitten mine, near Ketchum in Blaine County, Idaho.

Summary

The upper Blue Kitten mine workings consist of two shallow surface pits and a short adit from which three drifts have been driven, all of which explore a lead-zinc deposit occurring at the intersection of a north-trending sheared zone with the bedding of enclosing siliceous limestone. The DMEA project was designed to explore this deposit further by drifting, crosscutting, and raising on and from the Upper Adit level, and by drifting, crosscutting, and raising on and from a proposed Lower Adit level. Access road improvement was also allowed in the contract and diamond drilling was made allowable in Amendment No. 4, as was intermediate-level crosscutting in Amendment No. 5.

Although traces and a few scattered pods of lead-zinc sulfide ore were found by the exploration workings, these occurrences did not constitute a discovery and the project was therefore discontinued at the conclusion of the following work: 201 feet of drifting, 393 feet of crosscutting, 126 feet of raising, 293 feet of diamond drilling, and access road improvement.

Recommendations

A Field Team letter of October 27, 1953, to the DMEA Operating Committee, noted that project work had been terminated by mutual agreement, effective October 15, 1953. The letter also noted that project

exploration had been unsuccessful. No Certification of Discovery or Development was recommended.

Further exploration at the Blue Kitten mine should be directed toward diamond drilling the possible southeast continuation of the ore deposit from points on the surface located between the Lower and Lowest adits. Government participation in such drilling would be justified if the Operator were to present proof that he was financially able to support his share of the drilling costs.

LOCATION AND ACCESSIBILITY

The Blue Kitten property is in sec. 36, T. 4 N., R. 16 E., at Crony Cove on Warm Springs Creek in the Warm Springs mining district, Blaine County, Idaho.

From Ketchum, Idaho, the terminal of a branch line of the Union Pacific Railroad, the property is accessible by way of an unimproved Forest Service road, which follows up Warm Springs Creek in a westerly direction. A steep, switch-back mine road leaves the Forest Service road at the bridge beyond Crony Cove, about 8 miles from Ketchum, and continues for about half a mile to the upper workings of the mine.

Deep snowfall in the region and frequent snowslides onto the Forest Service road to the property make winter travel hazardous. The steep sides of the valley hold the snow until late in the season and access to the property is often delayed until late in May. There is little sub-zero weather during the winter.

The Blue Kitten claims occupy a steep south slope which is usually bare of snow before the road is open. Sagebrush is the only vegetation on the claims but native conifers grow on nearby slopes.

PROPERTY

The Blue Kitten property is held by the Sun Valley Lead-Silver Mines, Inc., under lease with an option to buy. The property consists of the unpatented Blue Kitten, Blue Kitten Extension, and the Blue Kitten Extension No. 1 claims, all owned by George and Frances Rathke of Bailey, Idaho.

When the project started, mine workings consisted of some surface pits and an Upper adit from which three drifts had been driven. There was also an abandoned adit near the base of the hill (see accompanying mine workings and claim map).

The mine workings require very little support and are dry, being well above the water table. The DMEA raise between the Upper and Lower levels provides excellent natural ventilation.

History and Production

The mine is reported to have been discovered in 1925 and to 1930 was explored in a desultory manner by a number of prospectors who devoted their efforts to the Upper and Lower adits and surface pits. Production records for this period are not available.

In 1931 the property came under control of Sun Valley Lead-Silver Mines, Inc., who rehabilitated the Upper adit and commenced drifting to the north and to the south, following a narrow vein containing sparse amounts of galena and sphalerite. In the first round to the north the vein widened into an ore body which, within a distance of 20 feet, attained a thickness of 14 feet. Raises were driven on this ore body and it was eventually stoped to an inclined height of 48 feet above the adit sill, at which point the south end of the stope was approaching the surface. Maximum length of the stope was about 70 feet and the average thickness of ore in the stope about 6 feet. Total production from this stope and from the lower drifts is estimated to have been about 2,500 to 3,000 tons, the grade of which is reported to have been 8 percent combined lead-zinc, and 3.0 to 4.0 ounces of silver. The ore was concentrated in the Sun Valley Lead-Silver Mines, Inc., 100-ton-capacity flotation mill located at the junction of Warm Springs and Rooks creeks, about 3 miles downstream from the mine on the Warm Springs Creek road. Mining in the Upper adit stope was in progress at the time DMEA project work commenced.

GEOLOGY

The Blue Kitten property is underlain by granitic rocks of the Idaho batholith, and also by thick-bedded limestones of the Wood River formation of Pennsylvanian age. Locally, the limestones have been intruded by dikes of granitic composition, probably offshoots of the nearby batholith.

Light-gray, medium-grained granitic rock, either granite or granodiorite, underlies all of the western part of the property. The eastern contact of the granitic rock crosses Warm Springs Creek at approximate coordinate 11,100 E., and continues in a northerly direction from that point, more or less following the course of a gulch. The contact passes about 50 feet west of the portal of the Lower adit but is cut in the Upper adit 36 feet from the portal. Above the Upper adit the contact swings to the northeast and cuts off the vein outcrop; no evidence of lead-zinc mineralization was seen in the granitic rock. The contact continues on to the north beyond the vein outcrop, but it was not followed beyond that point. The western limit of the granitic rock is not known but is believed to be several miles distant. The plutonic body is therefore either a part of the main Idaho batholith or else one of the numerous stocks related to that batholith.

Cropping out east of the granitic contact and extending to the Wood River valley is the Wood River formation. This formation is composed of a basal conglomerate member, and overlying limestones, quartzites, and shales. The total thickness of the formation exceeds 8,000 feet.

At the mine the Wood River rocks are gray, thick-bedded, crystalline limestones. Near the granitic contact the limestone has been silicified by contact metamorphism, the result being a very hard, dense rock having the properties of a calc-silicate hornfels. This rock is referred to by the miners as siliceous limestone. The bedding of the limestone strikes west of north and dips steeply to the east (see accompanying cross sections on the map of the Upper adit). When viewed from the Warm Springs Creek road, the limestones underlying the mine are seen to form the western limb of a tight syncline.

On the hillside above the Upper adit, two shallow pits explore two veins both of which strike about N. 25° W. and dip about 55° SW.; these shall be referred to as the Hanging Wall and Footwall veins. At the outcrop the Hanging Wall vein has a sharply defined hanging wall which appears to be more of a joint plane than a fault; there is very little gouge or crushed rock present. By contrast the footwall of the Footwall vein is the more distinct break in that structure. Mineralization within the veins consists of quartz, calcite, pyrite, galena, and sphalerite. There is little oxidation at the outcrop and none in the lower workings.

In the Upper adit, both the Hanging Wall and Footwall veins have been explored by drifting (see accompanying map of Upper level). Ore within the veins ranges in thickness from a knife's edge to as much as 14 feet. Some ore occurs as fissure fillings and is frozen to the wallrock; however, in the wider portions of the vein it appears to have formed by replacement at the intersection of the bedding with the vein. The best ore is along the Hanging Wall vein in the North drift where it widened to a thickness of 14 feet. This vein was stoped to a height of 48 feet (inclined) above the sill, the vein having a reported average thickness of 6 feet and a grade of 8 percent combined lead-zinc, and 3 to 4 ounces of silver per ton. There were several small pods of galena and sphalerite along the Footwall vein in the Upper adit, but they were not of sufficient size or grade to warrant mining. Within both veins and also in the area between the veins is a series of discontinuous granitic dikes, which range in thickness from a fraction of an inch to several feet. Other similar dikes within the same areas follow bedding of the siliceous limestone and occasionally follow joints cutting the bedding. All of the dikes have frozen contacts.

On the Upper level the area between the Hanging Wall and Footwall veins contains small stringers and pods of galena and sphalerite that are too numerous to map in detail but whose total volume and grade is not enough to comprise ore. Most of the stringers form either in bedding planes or in joints cutting across the bedding. The stringers are commonly a fraction of an inch in thickness, although some pods are several inches. All such ore is frozen to the silliceous limestone wallrock.

THE PROJECT

As the maximum width of the deposit between the hanging wall and footwalls on the Upper level was in excess of 35 feet with a minable width of higher-grade ore along the Hanging Wall vein that was being stoped above, and as the strike length of the deposit was known to exceed 100 feet, it appeared to be good exploration to come under the deposit with a lower adit level. It was hoped that if the deposit continued downward with the same size and that if the grade improved, it would constitute a large body of readily accessible ore. The Lower adit was therefore driven under DMEA contract 108 feet below the Upper adit to explore this possibility.

The Lower adit was advanced 120 feet, passing through silliceous limestone and occasional dikes of granitic rock before intersecting a 2-foot vein of dark quartz, calcite, pyrite, and occasional specks of galena and sphalerite (see accompanying map of Lower level). A 2-foot sample taken across the vein on the east wall of the crosscut assayed 0.60 ounce of silver per ton, a trace lead, and a trace zinc. As the vein occupied the position of the Hanging Wall vein, as projected from the Upper level, it was followed to the north to come under the ore body mined above the Upper level. Drifting showed the vein to narrow suddenly in width and also change in content, becoming first a quartz vein and then a vein of calcite. About 30 feet from the point of crosscut intersection the vein narrowed to a thickness of 2 inches and was cut off by a fault striking N. 65° W. and dipping 72° NE. The drift was continued 80 feet north of the fault but did not again encounter the vein. At the northern face the drift was turned to the northwest and advanced 35 feet in an attempt to crosscut the vein, at which point termination of the crosscut was recommended by a DMEA examiner.

Following termination of the northwest crosscut, exploration on the Lower level was stopped and a raise was driven to connect the Lower with the Upper level. This was essentially a rope raise, driven at an incline in the plane of the vein that was steep enough so that muck could run yet flat enough to require a minimum of timber. At a vertical distance of 35 feet above the sill the same fault was intersected that cut off the vein in the lower drift. An intermediate was run along this fault, picking up the offset vein.

A 3-foot sample taken across the vein near this point assayed 0.36 ounce silver per ton, 0.60 percent lead, and 0.10 percent zinc. Farther up the raise another fault offset the vein a few feet, and at a still higher point, another intermediate was run on a wider portion of the vein, but this ore quickly pinched in width and became too lean to warrant further exploration. The remaining portion of the raise to the Upper level cut small bunches and pods of ore within the vein but not enough to warrant further exploration or mining.

Following completion of the raise, a diamond drilling program was started on the Lower level. Seven EX-size holes were drilled, as shown on the attached map of the Lower level. Core from these holes showed numerous small veinlets of quartz, calcite, pyrite, galena, and sphalerite, most of which ranged from a fraction of an inch to an inch in thickness, and all of which occurred in bedding planes frozen to the wallrock. One series of close-spaced veinlets was cut in Hole No. 2, at a distance of 61 to 64 feet from the collar of the hole. At that point drilling was discontinued and a northeast crosscut was started from a point near the collar of the hole to test the veinlets further. After the crosscut had intersected the veinlets, it was turned to the north to follow them for a distance of 72 feet. Throughout this interval, the veinlets remained small, ranging from one-eighth of an inch to 3 inches in thickness, and were so low in grade that they were not worth sampling. At the 72-foot point the Operator was told by DMEA examiners that the drift was coming under the point where granitic rock cut off the vein on the outcrop and that as the veinlets were not improving in either grade or size further drifting was not warranted. Acting on this suggestion, the Operator discontinued drifting and resumed diamond drilling but with unfavorable results. Drilling indicated that the Footwall and Hanging Wall veins merged somewhere between the two levels and that only one weakly mineralized vein continued to the Lower level (see accompanying cross section on coor. 11,300 N.).

Following the drilling on the Lower level, the Operator requested a surface drilling program. This program was acceptable to the Field Team and a series of surface holes were laid out to test the southern continuation of the vein between the Lower adit and the Lowest adit located near the base of the hill. The purpose of this drilling was also to test the possibility of a southeast-raking ore body, such a rake being suggested in the stope above the Upper level, in the raise, and in widening of the vein to the southeast of the Lower level. The operator, however, became financially incapable of continuing the work and the contract was terminated by mutual agreement. The property is believed to have remained idle since drilling stopped. Diamond Drill Hole Logs No. 1 thru 7 may be found with the maps in the pocket.

The original program scheduled $384.00 of bulldozing and $300.00 of jackhammering to improve the access road, 230 feet of drift on the existing adit level, 125 feet of crosscuts from this drift, a 60-foot raise to surface; then, from an elevation of 100 feet below the existing adit, 195 feet of new adit with 230 feet of drift, 125 feet of crosscuts, and 103 feet of raise was scheduled.

The completed work did not include a raise to surface and the crosscutting was somewhat modified; otherwise, work was essentially as above with the addition of 293 feet of diamond drilling.

The contract was dated September 25, 1951. By December 12, 1951, the road work had been about completed and one drift round had been broken, but work was stopped shortly thereafter because of snowslide danger and the project recessed until spring.

Project work was also recessed during the winter of 1952-53 because of heavy snowfall and the danger of snowslides between the mine and Ketchum.

No project work was done after June of 1953. The project was terminated by mutual agreement on October 15, 1953.

During the term of the project contract, modifications were made by five amendments as follows:

No. 1 - October 9, 1951	Modified wages and salaries as given in the contract to allow the payment of wages at rates in effect in the area. Provided that superintendent's salary would not exceed $450/month and shift boss salary would not exceed $400/month.
No. 2 - February 14, 1952	Changed allowable cost for bulldozing from $8/hr. to $12/hr. and permitted bulldozer preparation of lower portal. Allowed $25/mo. maximum costs to transport employees. Raised shift bosses' salary to $425/mo.
No. 3 - May 12, 1952	Allowed reopening and rehabilitating the mine access road - $900 - and reduced drifting on No. 1 level to 222 ft.
No. 4 - August 21, 1952	Allowed 1,000 feet of diamond drilling.
No. 5 - December 11, 1952	Provided for 60 feet of intermediate crosscut.

Ore Reserves

There are no measured ore reserves in the Blue Kitten mine.

By assuming that ore above the stope will continue to the surface with the same dimension and grade as that mined in the stope and by using a tonnage factor of 10 cubic feet per ton, there would

be about 650 tons of indicated ore remaining in the block above the stope. Also, assuming that ore below the sill of the northern part of the Upper level will continue to a depth of 20 feet, there would be about 650 tons of indicated ore in that block, giving a total indicated tonnage of 1,300 tons.

When field examiners first recommended an exploration contract, it was assumed the block of ore between the Hanging Wall and Footwall veins would make mill feed if enough higher-grade ore could be found in the veins to serve as sweetener. This block, between the Upper level and the surface, was estimated to contain 10,800 tons of inferred, low-grade ore. By projecting the block to the Lower level, an additional 20,000 tons was inferred. Exploration on the Lower level showed the block of low-grade ore did not continue to the Lower level, and, as no amount of higher-grade ore was found, this tonnage can no longer be inferred; therefore, the mine cannot be said to have any inferred reserves.

Summary of Factual Data

The units of work completed were 201 feet of drift, 393 feet of crosscut, 126 feet of raise, and 293 feet of diamond drilling and access road improvement in the amount of $173.25. The total approved costs for these units was $21,470.24. The Government's share of these costs at 50 percent was $10,735.11. There was very little ore produced from project openings, none of which is known to have been treated at the company mill. There are no royalties due the Government.

There were no jointly purchased items of equipment of any materials which might be salvaged, so there were no problems of equity disposal.

Discussion of Conclusions

Project work did not encounter any difficulties except for the aforementioned winter snows. There was a tendency for the miners to travel from Ketchum to the mine on company time, and changing programs caused some inefficiency.

The poor financial condition of the company hampered the project on a few occasions. DMEA contract obligations were readily accepted by the cooperative supervisors, and fiscal matters were given prompt attention.

Costs per unit of $4.10/ft. for diamond drilling and $28.01/ft. for headings were reasonable. The workmanship was satisfactory and the exploration at proposed elevations was complete enough for all practical purposes.

Any additional exploration at the Blue Kitten mine should be done by diamond drilling from the surface to determine if the ore body mined above the Upper level might rake to the southeast, or if another ore body might occur in that area. In the Lowest adit, at elevation 6,328 feet, a vein is to be seen about 50 feet from the portal, striking N. 10° E. and dipping 60° NW. The location of this vein is comparable to that which might be expected if the vein in the upper workings were projected to this lower level. It is possible that along this vein, between the Lower and Lowest adits, there are minable ore bodies, although such occurrences are very doubtful. Three holes, collared at coordinates 11,200 E. - 11,100 N.; 11,165 E. - 11,000 N.; and 11,170 E. - 10,390 N., all drilled to the northeast at slightly negative angles, would explore the area between the two adits cheaply and quickly. If this drilling did not indicate the presence of a minable ore deposit, no further Government expenditures for exploration on the property would be justified.

Enclosures

Distribution:
DMEA (4)
USBM (5)
USGS (SRO)
Docket
Killingsord

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

Sun Valley Lead-Silver Mines, Inc.

Blue Kitten mine

Log of DD Hole No. 1, drilled N. 79° W., ± 6°, for 52 feet from the face of the 35-foot northwest crosscut off the DMEA adit.

Distance in feet	Remarks
0 - 17	Brecciated, blue-gray limestone cemented by calcite, much coarse calcite in bedding. Poor core recovery.
17 - 32	Gray, siliceous limestone. At 22 feet hit a 1-foot siliceous zone with some galena.
32 - 47	Siliceous limestone, brecciated, considerable calcite.
47 - 52	Blue-gray limestone, very little silicification.

Log of DD Hole No. 2, drilled N. 81° E., ± 4° 30', for 86 feet from a point near the north face of the DMEA adit.

Distance in feet	Remarks
0 - 9	Siliceous limestone, whitish, fine-grained, almost a hornfels.
9 - 19	Siliceous limestone, small amount of granitic dike at 11 feet.
19 - 24	Siliceous limestone, whitish.
24 - 29	Siliceous limestone, at 24 feet 10 inches of granitic dike.
29 - 34	Siliceous limestone, 6 inches of granitic dike at 33 feet.
34 - 39	Siliceous limestone.
39 - 44	Dark banded siliceous limestone, at 42 feet 3 inches of sulphides, chiefly pyrite, some sphalerite.
44 - 50	Siliceous limestone, some dark bands up to 6 inches width. All banding in bedding.
50 - 55	Siliceous limestone, at 53 feet, 1-foot dark band in bedding with scattered fine-grained sulphides.
55 - 60	Siliceous limestone, dark bands in bedding, 1-inch sulphide at 58 feet.
60 - 70	Light colored siliceous limestone, 1 inch dark band with fine pyrite and sphalerite at 67 feet.
70 - 75	Light, siliceous limestone, 2 feet dark banded limestone at 73 feet. One inch sulphides just beyond 73 feet.
75 - 86	Siliceous limestone, hit granite at 82 feet, end of hole still in granite.

Blue Kitten Mine
Sun Valley Lead-Silver Inc.
Docket No. DMEA-1936

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...ral Administration
...VED
... 1 4 1955

Diamond Drill Hole Log

Hole No.: 3
Bearing: N.74°E.
Distance: 90 feet
Angle of Inclination: plus 4°

Length (feet)	Recovery (feet)	Remarks
0-5	4.8	Siliceous limestone. Small, ¼", stringers of pyrite and sphalerite occur from 4.5'-5'.
5-10	4.8	Siliceous limestone. A 2" stringer of pyrite and sphalerite occurs at 6.6'.
10-15	4.6	Siliceous limestone becoming less siliceous towards 15'. A 1" stringer of sulfides occurs at 10.7'. Calcite filled fractures observed cutting bedding.
15-20	2.5	Missing portion probably from upper part of run. Core mostly of siliceous limestone. Some small fragments of pyrite and sphalerite occur at 19.5'.
20-25	1.7	20'-23.6' missing but probably was siliceous limestone. At 23.6' is beginning of micaceous, chloritic, diorite dike.
25-30	4.8	Diorite dike continues to 28.1'. Rest of core in siliceous limestone. A little sphalerite occurs at 29.8'.
30-35	3.8	Broken and recemented siliceous limestone which becomes less siliceous down the run.
35-40	3.8	Siliceous limestone. A 2" stringer, mostly sphalerite, occurs at 38.8'.
40-45	4.8	Siliceous limestone varying in amount silicification. A 1" stringer, mostly pyrite, occurs at 44.7'.
45-50	4.8	Siliceous limestone. 1" stringer, mostly pyrite, occurs at 49.7'.
50-55	4.8	Siliceous limestone. A 2" bedding plane stringer containing sphalerite seen at 52.7'. Sulfides were reported by the driller at 54.7' but do not appear in the core.

RECEIVED
JAN 17 1955
U.S.G.S.
SPOKANE, WASH.

Hole No.: 3 continued

Length (feet)	Recovery (feet)	Remarks
55-60	3.1	Siliceous limestone. ¼" stringers of pyrite are seen at 57' and 59'.
60-65	4.5	Siliceous limestone to 61'. Rest of run in micaceous dike rock, probably diorite.
65-70	4.7	Siliceous limestone. 1" stringer of sphalerite seen at 68.9'.
70-75	4.9	Finely crystalline limestone, not noticably siliceous or disturbed.
75-80	4	Limestone becomes relatively more siliceous at 77'.
80-85	4	Limestone, slightly siliceous, blue in color, finely crystalline and badly fractured. A few finely disseminated sulfides occur at 84.5' as fracture fillings, mostly pyrite and some sphalerite.
85-90	4.9'	Blue, finely crystalline limestone, changing to coarsly crystalline blue limestone at 89'. A few scattered sulfides occur at 86'. A 1" stringer of sphalerite and pyrite is seen at 88.3'. Some very small stringers of sulfides are scattered between 87' and 89'.
90		Bottom of hole.
	Total Recovery	Total percent recovery: 83.6%.

Hole No.: 4
Bearing: N.78° E.
Distance: 16 feet
Angle of Inclination: plus 54°

Length (feet)	Recovery (feet)	Remarks
0-5	2.5	Siliceous limestone. A few small, ¼", stringers of pyrite occur at collar of hole.
5-10	4.2	Finely crystalline, siliceous limestone. A 1" stringer of finely disseminated pyrite and sphalerite occurs at 9.6'.
10-15	4.2	Finely crystalline, siliceous limestone. A few very small ¼", stringers of pyrite and sphalerite occur from 12.5' to 14.5'. 1" stringer of pyrite and sphalerite seen at 14.5'. More ¼" stringers occur between 14.5' and 15', mostly pyrite and some sphalerite.
15'		Bottom of hole.
	Total Recovery 10.9	Total percent of recovery: 72.6%.

Hole No.: 5
Bearing: N. 75° E.
Distance: 50 feet
Angle of Inclination: plus 4°

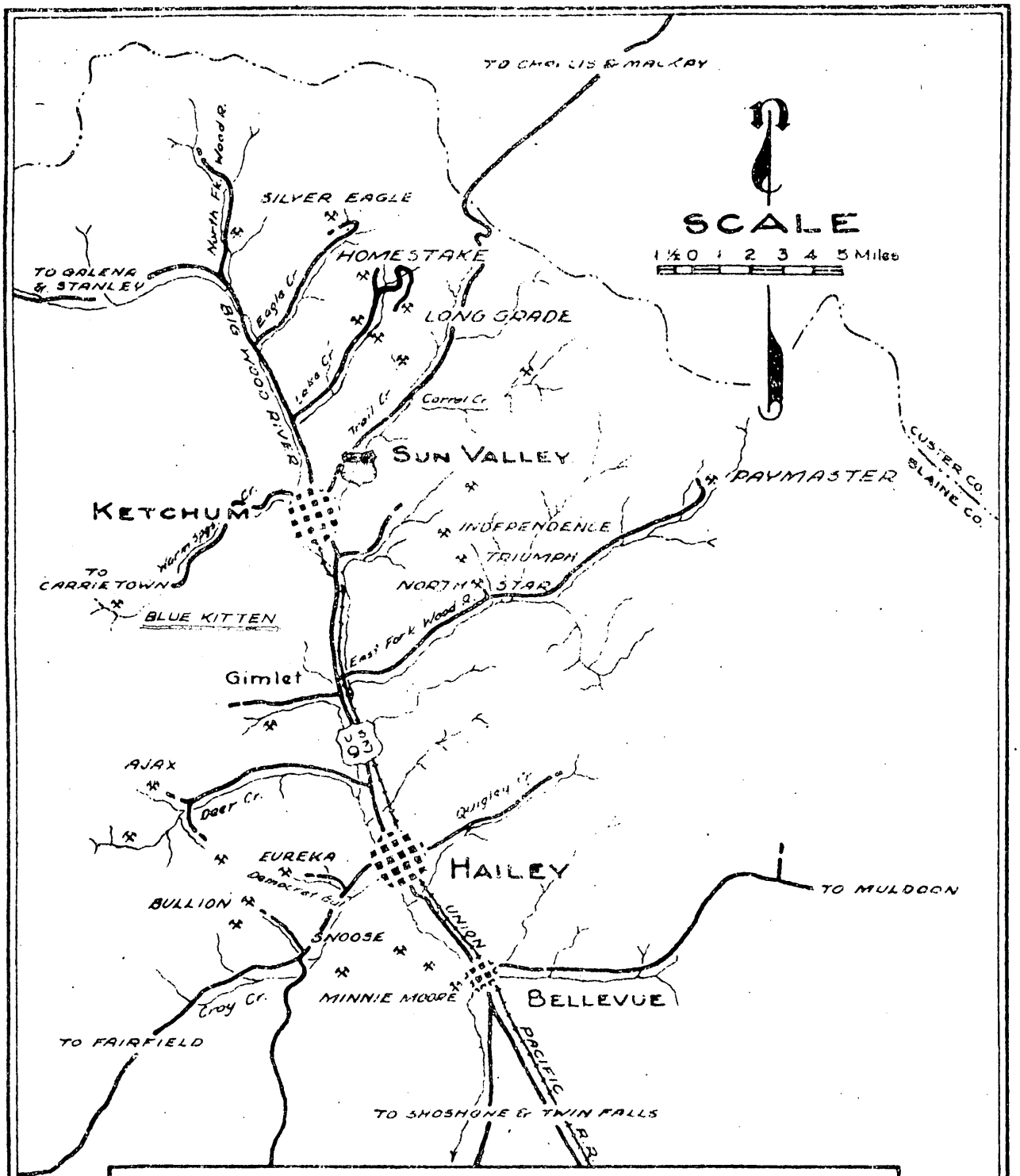
Length (feet)	Recovery (feet)	Remarks
0-5	1.7	Siliceous limestone. No sulfides.
5-10	5	Siliceous limestone. ¼" stringer appears as a fracture filling from 5' to 5.4'. Mostly sphalerite.
10-15	4.9	Siliceous limestone to 10.9'. A small diorite dike occurs from 10.9' to 12'. ½" stringer of pyrite and sphalerite seen at 13.6.
15-20	3.8	Banded, siliceous limestone. No sulfides.
20-25	4.5	Banded, siliceous limestone. ¼" stringer of pyrite and sphalerite filling a fracture at 23.4'.
25-30	4.3	Banded, siliceous limestone. ¼" stringer of sphalerite at 28.6'.
30-35	0.6	Core recovered thought to be from top of run. Siliceous and chloritic material may be dike. Driller thought he may have hit a solution cavity or water course.
35-40	4.5	Blue, brecciated limestone to 37.6'. From 37.6' to 40' in very siliceous, white, finely crystalline, dolomitic limestone.
40-50		Core lost.
50		Bottom of hole.
	Total Recovery 29.3	Total percent recovery: 58.6%

Hole No.: 6
Bearing: N. 75° E.
Distance: 40 feet
Angle of Inclination: plus 14°

Length (feet)	Recovery (feet)	Remarks
0-4	4	Siliceous limestone. No sulfides.
4-9	5	Siliceous limestone. ¼" stringers of pyrite and sphalerite occur at 4.8', 6.1', and 7.7'.
9-14	4	Siliceous limestone. ¼" stringer of pyrite and sphalerite occurs at 11'. 1" stringer of sphalerite and pyrite occurs at 13.5'.
14-19	4	Siliceous, lightly banded limestone. ¼" fracture filling of pyrite and sphalerite occurs at 16.7'. 1" stringer of pyrite and sphalerite occurs at 18.5'.
19-24	4	Banded, siliceous limestone. ¼" disseminated stringers of pyrite and sphalerite occur at 21.5' and 23'.
24-29	3.5	Banded, siliceous limestone. 2" stringer of mostly sphalerite occurs at 25'. ¼" stringer of pyrite and sphalerite occurs at 28.5'.
29-34	3.5	Banded, siliceous limestone. No sulfides.
34-39	4	Banded, siliceous limestone. Micaceous, dioritic dike containing scattered pyrite occurs from 35.5' to 37.8'. From 37.8' to 39' core is in white, finely crystalline limestone.
39		Bottom of hole.
	Total Recovery 32	Total percent of recovery: 82%.

Hole No.: 7
Bearing: N. 82° W.
Distance: 60 feet
Angle of Inclination: plus 14°.

Length (feet)	Recovery (feet)	Remarks
0-5	1.5	Lightly banded, siliceous limestone. ½" pyrite stringer occurs 0.6' below collar.
5-10	4.5	Banded, siliceous limestone. No sulfides.
10-15	4.7	Banded, siliceous limestone. A few scattered grains of pyrite occur at 14.5'.
15-20	4.2	Banded, siliceous limestone. A 2" stringer of pyrite and sphalerite occurs at 19.2'.
20-25	2.7	Banded, siliceous limestone. At 22.3' a 2" chert band with ¼" stringer of sphalerite occurs.
25-31	4.5	Finely crystalline, siliceous limestone. No sulfides.
31-36	4.9	Finely crystalline, siliceous limestone. ¼" stringer of pyrite seen at 36'.
36-41	4.5	Lightly banded, siliceous limestone. ½" stringer of sphalerite and pyrite seen at 40.4'.
41-46	5	Light colored, banded, siliceous limestone. 1" stringer of pyrite and chlorite occurs at 42'.
46-51	4.7	Light colored, banded, siliceous limestone. No sulfides.
51-56	5	White, finely crystalline, siliceous limestone to 52'. From 52' to 56.5' is dike, probably diorite. Scattered pyrite occurs in dike material.
56-61	3.5	56.5' to 57.8' in white, lightly banded, finely crystalline limestone. From 59' to 59.5' is a very siliceous, brecciated limestone. From 59.5' to 61' core is in white, finely crystalline limestone.
61		Bottom of hole
	Total Recovery 49.7	Total percent of recovery: 81.4%.



GENERAL MAP
BIG WOOD RIVER REGION, IDAHO
SHOWING SOME OF MINING AREAS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division Street
Spokane 2, Washington
February 25, 1954

Defense Minerals Administration
RECEIVED
MAR 1 - 1954

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Idm-E160, DMA-1936
Sun Valley Lead-Silver Mines

Dear Mr. Chambers:

After reviewing the payments made on the subject contract with Mr. Hindman, it appears that your copy of

Vou.	Date	MF-104	Paid
144	2-19-52	December	$1,280.70

should read $1,280.60.

Sincerely yours,

Robert M. Hull

Robert M. Hull
Auditor

J. W. Alt.
Initialed
Selfridge
J. H. Hedges
Philip W. Guild

500

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

FEB 24 1954

Mr. A. W. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

RE: Docket No. [illegible]-1936 (Lead-Zinc)
Sun Valley Lead-Silver Mines, Inc.
Blue Kitten Mine
Blaine County, Idaho
Contract No. [illegible]-2160

Dear Mr. Weissenborn:

A review of the above docket shows that to date we have not received the Operator's final report nor the final report of the Field Team. This contract was terminated on October 15, 1953.

Will you please advise us as to when we may expect to receive these reports.

Sincerely yours,

George C. Selfridge (JWB)
Chairman, Operating Committee

APPROVED:

J. H. Hedges (JWB)
Member, Bureau of Mines

Philip W. Guild (JWB)
Member, Geological Survey

JWAlt/bjl (2/23/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

R.C.B.
2-25-54

FILE COPY
SURNAME:

Talbert

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

FEB 18 1954

Mr. Robert M. Hall
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idm-2160, DMA-1936
Sun Valley Lead-Silver Mines

Dear Mr. Hall:

The Report of Review covering the referenced project, copies of which were submitted by your letter of February 15, 1954, is acceptable and normal distribution may be effected.

In your letter you state that the amount certified has been shown as $10,735.11 to agree with the Certifying Officer's payments. However, our records, based on the copies of the MF-104 as submitted by the Certifying Officer, indicate payments aggregating $10,735.21, detailed as follows:

Vou.	Date	MF-104	Paid
144	2-19-52	December	$ 1,280.70
282	7-3-52	April-May	2,508.98
305	7-28-52	June	1,369.58
355	8-26-52	July	1,397.70
364	10-24-52	August	970.52
511	?	September	1,055.02
544	11-25-52	October	827.03
?	1-7-53	November	634.25
788	6-15-53	May	692.43
			$10,735.21

Since your review indicates a deletion of $.20 by the Certifying Officer (which would result in a reduction of $.10 in the Government's contribution), it appears that one of the monthly payments must be erroneously stated on our records. Therefore, please check these payments with Mr. Hinkson and advise me as to the payment which is erroneously stated.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
February 17, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.G. 2-18-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
February 15, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1954

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract Idm-E160
Docket No. DMA-1936
Sun Valley Lead-Silver Mines, Inc.

Dear Mr. Chambers:

There are submitted herewith 3 copies of Report of Review pertaining to Contract Idm-E160, Docket No. DMA-1936, Sun Valley Lead-Silver Mines, Inc., Blaine County, Idaho.

The Government's 50 percent participation was adjusted by $0.01 to $10,735.11 to conform to the final payment made by the Certifying Officer.

Sincerely yours,

Robert M. Hull

Robert M. Hull
Auditor

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
FEB 23 1954

February 17, 1954

Mr. R. J. Hindman, Certifying Officer
DMEA Field Team, Region II
1201 North Division
Spokane, Washington

Re: Docket No. DMEA-1936 (lead-zinc)
Sun Valley Lead-Silver Company
Blue Kitten Mine
Blaine County, Idaho
Contract No. Idm-E60 (Terminated)

Dear Mr. Hindman:

The subject contract was terminated by mutual agreement on October 15, 1953. A final report on project work has not been received. However, as we already have available an adequate amount of technical information concerning the results of the exploration from field engineers, this final technical report from the operator is hereby waived. There was no equipment purchased for this project.

Inasmuch as there was no equipment purchased and no supplies remain in which the Government has an equity, and inasmuch as all final reports from the operator are hereby waived, it is recommended that final audit and settlement of the operator's account be effected.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Auditor Hull
Killsgaard
Con. Adm. & Aud. Div., Wash., D. C.

FILE COPY
SURNAME: Keating

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

N.S. in R.A.

November 20, 1953

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Access Road, Docket No. DMEA ~~1956~~ 1936 (Lead-Zinc)
Sunvalley Lead-Silver Company
Blue Kitten Mine, Blaine County, Idaho
Contract No. Idm-E60

Mr. Roll of the Emergency Procurement Service, Materials Division, Washington, D. C., has requested a letter from DMEA as to the status of the subject project. Mr. Roll's predecessor, Mr. Stanley Walker, formerly of the Public Roads Administration, had approved of an access road to the project property if exploration was successful. Mr. Roll now wishes to wind the matter up and take the steps necessary to close the case. A letter from us is required to do this.

W. R. Griswold

W. R. Griswold

Attachment

AGKeating/hmj
(11-20-53)
CC to: Docket
Base Metals
Chron.

FILE COPY
SURNAME:

500

Keating

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

NOV 20 1953

Mr. George H. Roll
Emergency Procurement Service
Materials Division
Room 3105, Regional Office Building
Washington, D. C.

Re: Access Road 1936
Docket No. DMEA ~~1956~~ (Lead-Zinc)
Sun Valley Lead-Silver Company
Blue Kitten Mine
Blaine County, Idaho
Contract No. Idm-~~160~~
160

Dear Mr. Roll:

Pursuant to your telephone request of November 19, 1953, regarding the status of the subject company, we can advise you that the project was terminated by mutual consent on October 15, 1953. Exploration at the Blue Kitten mine has been unsuccessful and the company is reported to be virtually defunct and in no position to undertake further work.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

AGKeating/hmj

(11-20-53)
CC to: Docket
Adm. R. File
Base Metals
Chron.

R.C.G.
11-23-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

October 27, 1953

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-1936 (lead-zinc)
Sun Valley Lead-Silver Company
Blue Kitten mine, Blaine Co., Idaho
Contract No. Idm-E~~60~~ 160

Dear Mr. Selfridge:

Enclosed herewith is an inspection report by Thor H. Kiilsgaard in which he states that he has obtained signatures of two officials of the Sun Valley Lead-Silver Company to an agreement mutually terminating the above-referenced contract. Enclosed also are the Government, Docket, and Division copies of the termination agreement.

Exploration at the Blue Kitten property has been unsuccessful. We had planned a small amount of surface drilling as a last hope, with the realization that at best only a small discovery could result; however, Mr. Kiilsgaard finds that the company is virtually defunct and in no position to do even this small remaining amount of work. Furthermore, the depressed price of lead and zinc makes it most unlikely that they would be able to obtain funds to do the work as they have closed their custom mill near Ketchum which was their only source of income. On conferring with Mr. Thornton, Mr. Kiilsgaard found that Mr. Thornton was about to leave for Nevada where he intended to look for employment. Mr. Ross Roundy the president of the company is very seriously ill in a tuberculosis hospital. Due to the fact that the officials of the company were about to become scattered, it might have been exceedingly difficult to get in touch with them in the future. Therefore, Mr. Kiilsgaard had Mr. Thornton, the secretary-treasurer and Mr. Warren, a vice-president of the company sign the mutual termination agreement and he signed the document for the Executive Officer. In view of the special circumstances

This should be minimized carefully. Some misinformation has been reported. Possibly further good should be brought to regulations are promoting in transactions expressly

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involved and the fact that it was imperative to act quickly, we approve Mr. Kiilsgaard's action and think that he should be commended for the initiative that he has shown in obtaining the termination agreement while it was still obtainable.

By Field Team, Region II

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

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

Enclosures - 2
(as above)

cc: USBM (2)
Finance Officer w/encl.
Kiilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

October 21, 1953

Memorandum

To: DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Conference with Mr. John Thornton, Sun Valley Lead-Silver Company, Blue Kitten mine, Blaine County, Idaho, Docket No. DMEA-1936 (lead-zinc), Contract No. Idm-E~~60~~. 160

I called at Mr. Thornton's home in Ketchum, Idaho, on October 15, 1953, to discuss with him the Operator's intentions of resuming project work. Mr. Thornton informed me that the company was financially incapable of continuing the project and had, in fact, completely ceased all operations at their lead-zinc properties as well as at their custom mill. He expressed his regret of the inability of the Operator to resume project work and stated that he wished to thank DMEA for the cooperation and assistance rendered during the time the project was in force.

Mr. Thornton requested termination of the contract by mutual agreement. He was informed that approval of such an agreement had to come from the Washington, D. C., office, but that his request would be submitted for consideration. He asked how long it might take to obtain such an approval stating that he intended to leave for Nevada on the following day to seek employment. As Mr. Thornton has directed all of the Operator's business with DMEA and as his future mailing address would be unknown, I thought it would be to the interest of the Government to conclude as many of the termination negotiations as possible at that time without waiting for approval from Washington. I therefore filled out a mutual termination agreement, obtaining Mr. Thornton's signature as well as the signature of Mr. Warren, a Vice-President of the company, and signing for the Executive Officer, Region II. This procedure is admittedly contrary to that normally used in terminating contracts, but it is hoped that it will be acceptable to the Field Team and to DMEA.

Is this a legal agreement?

Mr. Thornton informed me that all supplies purchased for the project had been expended and that the Government did not have an equity in any equipment used by the project. He also stated that DMEA had paid their share of all invoices previously submitted to the satisfaction of the Operator, and that no further invoices would be submitted. He confirmed this statement with a letter, a copy of which is attached.

The Field Team has a complete record of work done on the project including maps, assay data, etc. It is therefore recommended that the Operator's final report be waived, as it will probably be very difficult to obtain and as it would be of little use to DMEA.

As the Operator considers the project as closed, it is recommended that a final audit be made of the Operator's account and that the account be closed as quickly as possible.

Project work has not exposed a significant ore body and therefore Certification of Discovery should not be recommended.

Attachment

Distribution:
DMEA (Orig. & 3)
USBM (2)
Docket
Kiilsgaard

SUN VALLEY LEAD-SILVER MINES, Inc.
OFFICE — KETCHUM, IDAHO — PHONE 2572
P. O. BOX 57
KETCHUM, IDAHO

October 15, 1953.

A.E. Weissenborn, Exec. Officer
D.M.E.A. Region 11
So. 157 Howard Street
Spokane 4, Washington.

Re: Docket No. DMEA-1936(Lead-Zinc)
Blue Kitten Mine
Blaine County, Idaho
Contract Idm-160

Dear Sirs:

I have on this day signed a mutual agreement with the DMEA terminating the company's contract. No further bills will be submitted for the DMEA Contract work.

We hereby consider our account with the DMEA closed.

Very truly yours,
John R. Thornton
John R. Thornton
Sec'y-Treasurer.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

September 14, 1953

Mr. John R. Thornton, Sec'y.-Treasurer
Sun Valley Lead-Silver Mines, Inc.
Box 57
Ketchum, Idaho

Re: Docket No. DMEA-1936 (Lead-Zinc)
Blue Kitten Mine
Blaine County, Idaho
Contract Idm-E160

Dear Mr. Thornton:

I wish to direct your attention to the conference we had during the latter part of July, at which time we discussed a diamond drilling program to further test the Blue Kitten ore body. You will recall that you told me the Sun Valley Mining Company intended to do this drilling work but that there were no funds available to do so at that time.

More recently, Mr. Johnson, U. S. Bureau of Mines, contacted you regarding the proposed diamond drilling program and also was told that although you favored the program, you were unable to commence work immediately because of financial conditions.

On September 11, 1953, we received a letter from the Operating Committee in Washington, D. C., inquiring as to the status of the Sun Valley project. This letter stated that as the project was in a dormant condition, we should terminate it by mutual agreement before completion of the work unless the Operator gave firm intentions of completing the work.

As you know, the proposed diamond drilling project is to be done from the surface which means that work must commence in the near future if it is to be completed before winter sets in or before the contract termination date is reached. We, therefore, suggest that if you intend to do this drilling project, you commence work not later than October 1. If in the event you are unable to commence work by that time, I would suggest that you terminate the contract by mutual agreement.

Please advise us of your intentions regarding project work as quickly as possible.

Very truly yours,

Thor H. Kiilsgaard
for A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

cc: USBM(2)
DMEA(2)
Kiilsgaard

FILE COPY
SURNAME:

J. W. Alt
Trimmel
Ellis
Melinda
Richardson

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

SEP 8 1953

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-1936 (Lead-Zinc)
Sun Valley Lead-Silver Mines, Inc.
Blue Kitten Mine
Blaine County, Idaho
Contract No. Idm-E160

Dear Mr. Weissenborn:

Will you please advise us regarding the status of the above contract. We note that Mr. V. Z. Johnson's memorandum of July 13, 1953 states that at the time of his inspection of July 3, 1953, there was no one at the project. He reports that the southeast drift had advanced 12 feet since the inspection of May 28, 1953.

Mr. Johnson concludes by stating that there is only about $6,000.00 remaining for this contract, and there is little to encourage further exploration.

As the probability of making a discovery of ore is very remote and the project is in a more or less dormant condition, we would like to suggest that you investigate the possibility of terminating this contract by mutual agreement, unless the Operator sincerely wishes to complete the work.

The last MF-104 report that we have in our files is for the month of May 1953.

Sincerely yours,

Ernest Wm. Ellis
ESY

ACTING Chairman, Operating Committee

APPROVED:
J. H. Hedges
ESY

Member, Bureau of Mines

A. R. Kinkel, Jr.
ESY

Member, Geological Survey

JWAlt/hmj
(9/3/53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Div.
Mr. Kinkel
Mr. Bishop
Chron.

HHR
9-8-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Washington
July 13, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection, Sun Valley Lead-Silver Mines, Inc., Blue Kitten Mine, Blaine County, Idaho, Contract Idm-E60, Docket No. DMEA 1936 (lead-zinc)

The inspection was made on July 3, 1953. There was no one at the project. Mr. Thornton, the secretary, was in Missoula, Montana, on business.

The southeast drift had advanced 12 feet since the inspection of May 28, 1953, for the only project activity during the period.

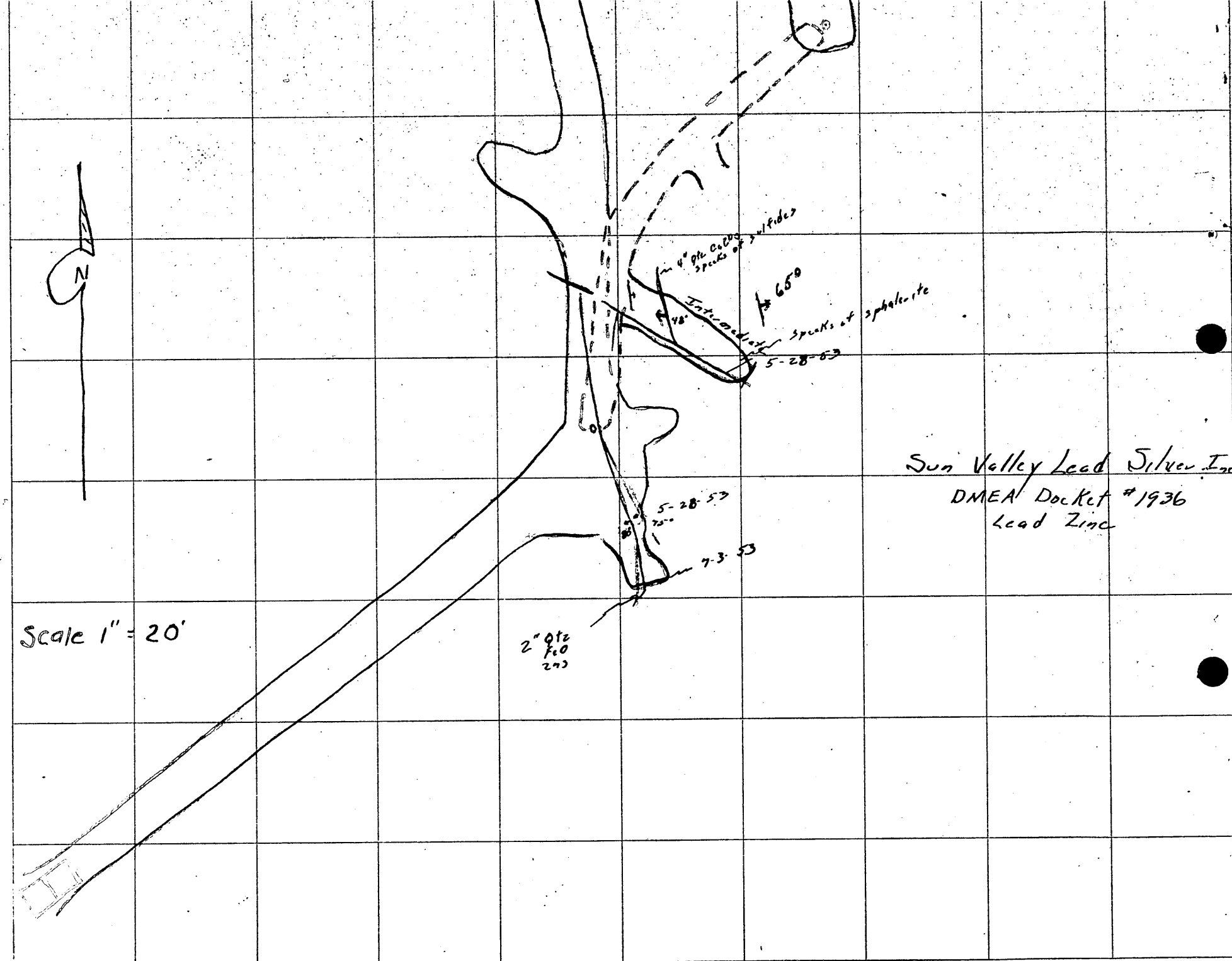
Total units completed to date are as follows: diamond drilling - 293 feet; drifting - 201 feet; raising - 126 feet; and crosscutting - 393 feet.

There has been a few patches of sphalerite exposed during the past month which occurs along joints and bedding. The vein is becoming weaker and there is more oxidation. Sample No. V. J. 9 was taken on the 2-inch quartz vein at about 22 feet southeast.

The workmanship is satisfactory. There is only about $6,000 remaining for this contract, and there is little to encourage further exploration.

V. Z. Johnson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
VZJ/he


N
Scale 1" = 20'
in 4" qtz carbs
specks of sulfides
65°
48°
Intermediate
specks of sphalerite
5-28-53
5-28-53
75°
7-3-53
2" qtz
FeO
2n3
Sun Valley Lead Silver Inc
DMEA Docket #1936
Lead Zinc

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 North Division Street
Spokane 2, Washington

June 11, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Sun Valley Lead-Silver Co., Blue Kitten Mine, Blaine County, Idaho, Contract Idm-E60, Docket No. DMEA 1936 (lead-zinc)

The inspection was made on May 28, 1953 with Mr. John Thorton, Secretary-Treasurer of the company.

The intermediate crosscut southeast from about 32 feet in the raise had advanced 22 feet and the southeast drift had advanced the first 10 feet from the lower adit since the inspection of April 27, 1953. The intermediate is about 6 x 7 feet in cross section and the drift is 8 feet high and widened for a switch.

Total contract units completed to date are as follows: diamond drilling - 293 feet, drifting - 189 feet, raising - 126 feet, and crosscutting - 393 feet.

There has been no ore exposed by the advance of the past month. The vein which was followed in the first 30 feet of the raise is apparently exposed on the northeast side of the fault followed by the southeast crosscut at about 7 feet from the raise, where a 4-inch vein of quartz and dark calcite with occasional sulphides strikes nearly parallel to the drift on the lower level. In the back at the face of the southeast drift bedding and joint intersections have specks of sphalerite.

The drift on the lower level started in about 1-1/2 feet of vein-like structure which has narrowed to about 8 inches after a 2-inch ribbon split off southward. Both branches of the split have specks of sulphides at joint intersections.

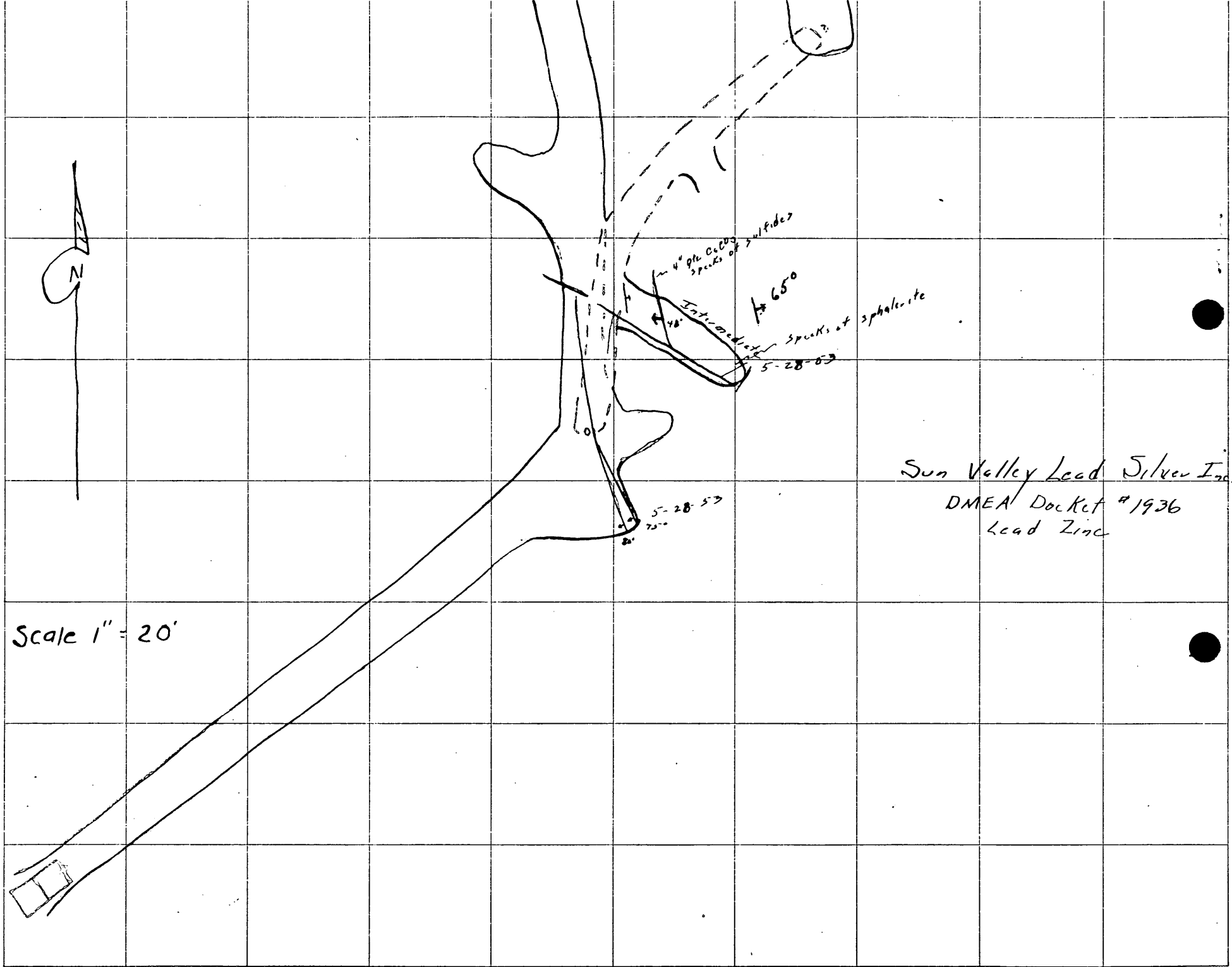
Mr. Thornton is looking for a diamond drill to crosscut the southeast extension of the structure rather than drifting. Mr. Thornton was informed that drilling would be more feasible but that the features so far exposed made it appear discouraging to do further exploration of any kind.

The workmanship is satisfactory and mining costs are high ($35 to $40 per foot) because of changing programs.

V. Z. Johnson

V. Z. Johnson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
VZJ/vf


N
~ 4" gte CaCO3 specks of sulfides
65°
Intermediate
48°
specks of sphalerite
5-28-53
5-28-53
75°
Sun Valley Lead Silver Inc
DMEA Docket #1936
Lead Zinc
Scale 1" = 20'

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
~~XXXXXXXXXXXXXXXXX~~
So. 157 Howard Street
Spokane 4, Washington

May 22, 1953

Mr. John Thornton
Sun Valley Lead-Silver Mines Inc.
Box 27
Ketchum, Idaho

Re: Docket No. DMEA-1936 (Lead-Zinc)
Blue Kitten Mine
Blaine County Idaho
Contract Idm-E160

Dear Mr. Thornton:

This will acknowledge the telephone conversation between yourself and Mr. Thor H. Killagaard which was held on May 14, 1953. During this conversation it was decided to drive a few feet to the northeast from the junction of the raise between the lower and upper levels and the intermediate sublevel to test the footwall of the Blue Kitten structure. Unless this short advance revealed encouraging information it was proposed to move operations to the lower level and to drift to the southeast on the same structure on which the raise was driven.

This course of exploration meets with the approval of the Field Team.

By DMEA Field Team, Region II

M. E. Volin, Acting Exec. Officer
(U. S. Bureau of Mines)

Thor H. Killagaard, Acting Member
(U. S. Geological Survey)

cc: USBM (2)
DMEA (2)
Killagaard

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

1201 North Division Street
Spokane 2, Washington

May 19, 1953

Memorandum

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Sun Valley Lead-Silver Co., Blue Kitten Mine, Blaine County, Idaho, Contract Idm-E160, Docket No. DMEA 1936 (lead-zinc)

The inspection was made April 25 and 27, 1953 with Mr. John Thornton, Secretary-Treasurer of the company.

There has been no project advance since the inspection of November 30, 1952. During the previous few weeks snow removal from the access road had been completed, two portal sets were placed at the brow of the lower tunnel and the equipment was readied for summer operation.

Total contract units completed to date are 179 feet of drift, 293 feet of diamond drilling and 130 feet of raise.

Crosscutting from the project raise is the first contract operation scheduled and should be started early in May 1953. Raise samples VJ-11 and 12 are shown on attached raise sketch.

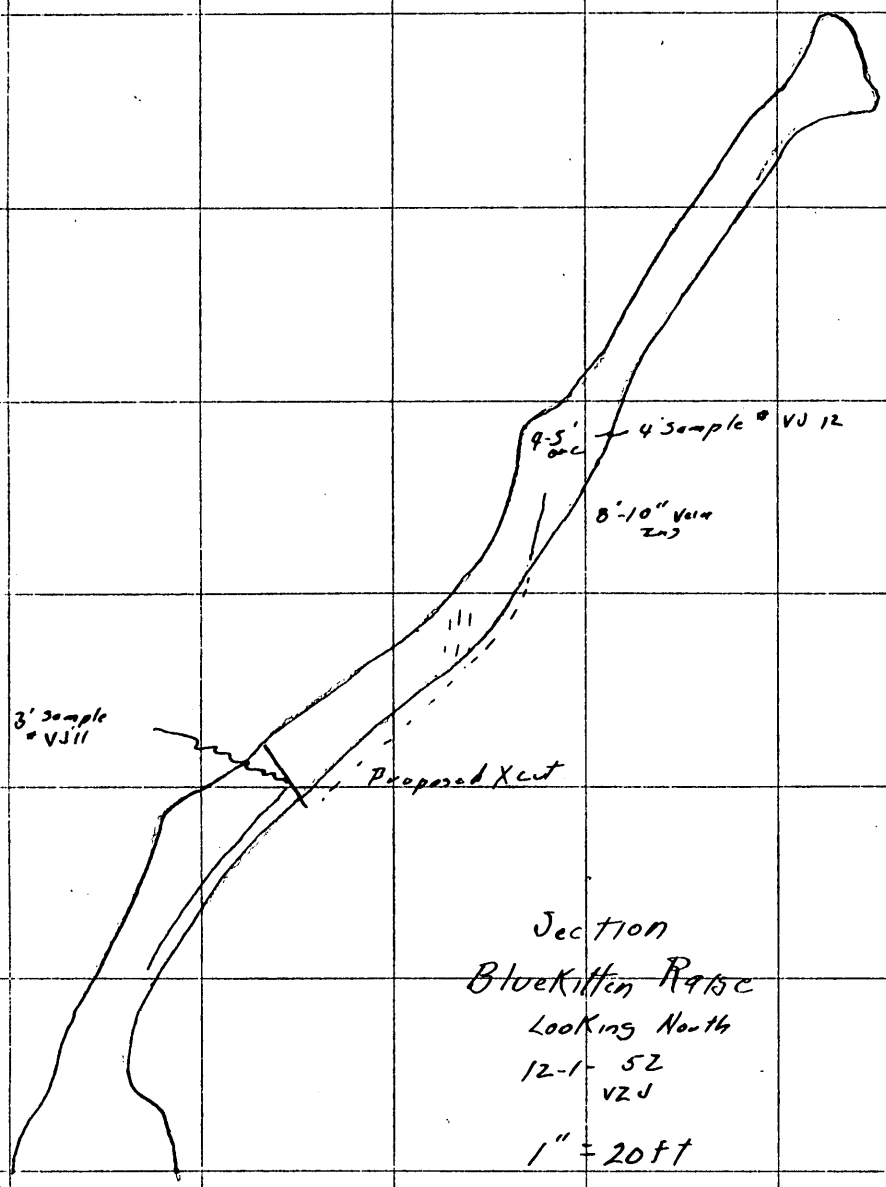
On April 25, 1953 a check Brunton survey was made over about the same course traversed by Brunton on November 20, 1952. Both Brunton surveys were about 8 feet short of closing, so on April 27, 1953 after borrowing a transit from Mr. Harry Pollar of the Snoose Mining Co. a transit survey was run which closed within 0.9' vertically and 0.9' horizontally. Attached is a sketch of this survey with adjustments from earlier maps.

V Z Johnson

V. Z. Johnson

Enclosure

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
VZJ/vf



Bureau of Mines

Samples		Ag	Pb	Zn
VJ 11	3 ft	0.36	0.6	0.10
VJ 12	4ft	0.90	1.9	3.19
		~~1.26~~	~~2.5~~	~~3.29~~
		.63	1.25	1.64

Section
Bluekitten Raise
Looking North
12-1-52
VZJ

1" = 20 ft

"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF

XXXXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington
May 12, 1953

Mr. Jay L. Chambers, Chief,
Contract Administration and Audit Division,
Defense Minerals Exploration Administration,
Interior Building,
Washington 25, D. C.

Subject: Docket No. DMEA 1936
Contract No. Idm-E160
Sun Valley Lead-Silver
Mines.

Dear Mr. Chambers:

There are returned herewith 2 Audit Reports and 3 Audit Certificates covering the referenced project. The enclosed memorandum from the Certifying Officer clarifies the difference between the total cost as billed by the Operator on the November 1952 MF-104 and the amount indicated on the Certificate and Exhibit A of the report.

As soon as the final disposition of equipment relative to Exploration Project Contract No. Idm-E22, Docket DMA-506, Hermada Mining Co., and Exploration Project Contract No Idm-E258, Docket No. DMA-2193, G. O. P. Antimony, Inc. (Bales project), is settled the final audit report and certificate may be written. Interim audit reports and certificates have been issued on both of these projects. The status of the projects has not changed. The final reports on these projects will differ from the interim reports only in that they will reflect the amount of the recovery of the salvage value of equipment purchased for the exploration projects.

While the subject of final audit reports and certificates was discussed at the Denver meeting, it will be greatly appreciated if you will send me definite and specific samples of the type of final audit report and certificate that will be satisfactory to cover this situation, and that may be used to cover other similar cases that are pending.

Sincerely yours,

Robert M. Hull,
DMEA Auditor, Region II

Enclosures:
Memorandum from Certifying Officer
2 Audit Reports
3 Audit Certificates

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Robert M. Hull, DMEA Auditor

DATE: May 5, 1953

FROM : R. J. Hindman, Certifying Officer

SUBJECT: Audit report on Sun Valley Lead-Silver Mines, Inc., contract Idm-E160.

In regard to our discussion of the discrepency that your audit revealed on the November 1952 MF-104, Item 7-Payroll Taxes, our findings and explanation are as follows:

The approved total on the copy of the MF-104 for November 1952 submitted to Washington should have read "Payroll Taxes approved to date, $443.76". The approved total for all charges should have read $20,087.39. On the May 1952 MF-104, the Operator showed an approved total for payroll taxes for the previous month of $34.76. The amount approved for that month was $114.56. That would have made the approved total to date $149.32. The Operator, through an error, showed $149.52. The error was typographical. On the subsequent invoice of June 1952, the typographical error was brought forward as $149.52 instead of $149.32. It was never corrected on the additional MF-104s that were submitted, so that the total for November was in error $0.20.

R. J. Hindman

R. J. Hindman

cc:
AD

FILE COPY
SURNAME:

Talbert
Chamberlin

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

BL

APR 30 1953

Mr. Robert M. Hall
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: DMEA-1936, Idm-2160
Sun Valley Lead-Silver Mines

Dear Mr. Hall:

The copies of your second Interim Audit Report and Audit Certificate, covering the referenced project, which were submitted by your memorandum of April 24, 1953, are returned herewith for correction or revision as follows:

1. The total cost as billed by the Operator on the November 1952 MF-104 is $20,087.99 rather than the $20,087.39 indicated on your certificate and the Exhibit "A" of your report.

2. The November 1952 MF-104 shows costs claimed for Payroll Taxes of $443.96, whereas you state on page 6 of the report that the Operator claimed $443.76. Exhibit "A" of your report also lists $443.76 in the column headed "Totals Nov. 1952 MF-104."

3. On page 4 of your report you indicate that depreciation on the 500 cfm Compressor has been claimed and allowed for the month of December 1951, whereas Amendment No. 3 authorizing this item of cost was effective April 1, 1952. Also, the amendment states that the rate of $100 is "to be prorated ---- amount shown is maximum chargeable", but you have not indicated that the cost was prorated or the basis used.

4. During the January conference in Denver Mr. Talbert stressed the necessity of detailing and commenting upon all charges for supervision and technical services, yet in this Audit Report you merely mention on page 3 that the Supervision claimed and allowable is $3,062.04 without giving any details. This requirement for details appears particularly necessary in this case since Amendment No. 1, effective the date of the contract, indicates the salaries of a superintendent and a shift boss are allowable "in prorated amounts not to exceed $450.00 and $400.00 per month respectively" with the latter rate being raised to $425.00 by Amendment No. 2.

4. Your Audit Certificate indicates that it is "for the period of July 1, 1952 to November 30, 1952." This should be "for the period of December 1, 1951 to November 30, 1952", since you are certifying the costs for the entire period. The Certificate also should be headed "Second Interim Audit". Both of these points were discussed at the Denver conference.

5. On page 6 of your Report you indicate allowance of $183.33 for transportation as authorized by Amendment No. 2, but do not give any details as to the method used in determining the amount chargeable. Also, you do not indicate whether the charges are within the maximum of $25.00 per month established by Amendment No. 2.

6. In your Audit Certificate and on page 7 of your Report you have shown "Reinstatement of previous exception $19.46" without giving the reason for the original exception or your reason for determining that it was allowable. These reasons are doubly important in this case since the "Totals to date" claimed by the Operator do not include this amount and, in effect, you are raising the amount claimed.

I wish to reiterate at this time the importance of showing in all Audit Reports the status or application of all "allowable maximums" and all "not to exceed" amounts, which were the subject of considerable discussion at the Denver conference. This contract, as amended, contains the following "maximums", none of which has been mentioned in your Report:

Reopening and rehabilitating mine access road	$700.00
Depreciation allowance on 500 cfm Compressor	100.00/mo.*
Excavating portal site by bulldozer	304.00
Transporting employees to and from site	25.00/mo.
Superintendent	450.00/mo.*
Shift Boss	425.00/mo.*

*to be prorated.

During the Denver conference the matter of priority of audits was discussed. Mr. Talbert informed all auditors that highest priority should be given to terminated and completed contracts and second priority to contracts for which documentation requirements have been waived.

Since there are in Region II several completed and terminated contracts for which final audits have not been made, as well as a number of contracts on which documentation requirements have been waived and for which you have not made any interim audits, your reasons for making a "second" interim audit on this relatively simple contract are not apparent.

Will you please send me a list of all completed or terminated projects which have not been audited or reviewed. I would also like for you and Mr. Turner to review your audit program and indicate when an audit or review is planned for each completed or terminated contract. I would like to have this list and program at the earliest time possible.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
April 30, 1953

Copy to: Mails & Files
Admr. Reading File
Mr. Chambers

JH.
4-30-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 North Division Street
Spokane 2, Washington

April 27, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: M. E. Volin, Member, Field Team, Bureau of Mines, Region II

Subject: Routine inspection, Sun Valley Lead-Silver Mines, Inc., Blaine County, Idaho, Contract Idm-E160, Docket No. DMEA 1936 (lead-zinc)

I had an interview with Mr. John R. Thornton at the company office at Ketchum on March 31.

At that time the snow was leaving the valleys but was still in the mountains. Mr. Thornton said that the road to the Blue Kitten mine was being plowed out by the county and probably would be open in about a week. There was another snow storm later which undoubtedly delayed this work until the second or third week in April.

Amendment No. 5 to the contract authorizes two crosscuts from the raise. One is to be located 60 feet above the No. 2 (lower) adit and driven about 20 feet in an easterly direction along the shear zone to identify whether or not the vein followed in the No. 2 drift is a faulted segment of the vein mined above on the No. 1 level. The other crosscut is to be started 35 feet above the No. 2 level and driven in a southeasterly direction 15 feet to test for a possible vein offset at that point.

Mr. Thornton stated at the time of the interview that he would have preferred to drift south-southeast 60 feet on the showing of ore in the raise about 70 feet above adit No. 2. Before closing operations for the winter, the crew put in two rounds for a distance of about 8 feet south-southeast on this showing, opening the vein to a width of 5 feet. Johnson's (Bureau of Mines) 4-foot sample across this vein analyzed 0.90 oz. silver, 1.9% lead, and 3.19% zinc.

Mr. Thornton stated that about $2100 remains to be expended under the present contract. If there are any funds left after the work authorized under Amendment No. 5, he would like to drift south-southeast on the quartz-calcite vein ~~well~~ found on the No. 2 level.

Mr. Thornton stated he might seek additional DMEA aid for a two-stage program of bulldozer trenching followed by diamond drilling to explore the 900-foot gap between the No. 2 and No. 3 tunnels, the latter located about 900 feet south of and down the hill from No. 2. This program also would include construction of a change room and a compressor house.

The Field Team joins with the Operator in the hope that the ore found on No. 1 level has extensions downward and to the south. There is a possibility, however, that this is a pod or shoot of very limited size. One characteristic seems to support this in that the structure on which the ore occurs shows only minor gouge on the hanging wall and has an indefinite foot wall. If the fracturing resulted from a force couple which in local areas followed concentrations of jointing, and mineralization was by many small feeder veins from depth with accumulation by replacement of the limestone in the locally fractured areas, the result could be small pods or shoots of ore oriented in the same direction but not along one structure and not necessarily connected. More likely they would be in an echelon or overlapping pattern with no mineral connections. The amount of exploration that can be done to find one of these hidden shoots should not cost more than can be repaid by the mining of the small ore body. With this sort of pattern, however, nearby shoots sometimes can be found by short holes drilled into the walls.

In my judgement, it seems best not to investigate the shoot on No. 1 level further, but to direct attention to trying to find other shoots. Mr. Thornton's proposal for additional DMEA aid may have some merit along this line.

M. E. Volin

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
MEV/vf

1936

FILE COPY
SURNAME:

800

Chambers wb

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

March 10, 1953

Memorandum

m. s. in P. v R.

To: Administrator

(Signed) J. L. Chambers

From: Jay L. Chambers, Chief
Contract Administration and Audit Division

Subject: Proposed Letter to Mr. Weissenborn re Amendment to Contract Idm-X160, Docket DMEA-1936 (Lead-Zinc)

There is an attached proposed letter to Mr. Weissenborn prepared for the Operating Committee to approve. This proposed letter is a transmittal of a memorandum from the Chief Counsel addressed to the Administrator re amendment to project Idm-X160.

I have two objections to the Chief Counsel's memorandum being sent to Mr. Weissenborn. They are as follows:

1. Mr. Weissenborn is being criticized for stipulating where the money will be found to finance an addition to the project.

2. The Chief Counsel has stated that the statement locating the additional funds as prescribed by Mr. Weissenborn is "unintelligible" and may cause difficulty in administering this contract. I do not think the statement is unintelligible nor will it cause any difficulty in administering the contract.

There may be a third reason for not transmitting the Chief Counsel's memorandum, viz., it certainly will not improve the relationship between the Washington office and Region II.

Attachment

JLChambers/wb
March 10, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers

FILE COPY
SURNAME:

500

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

J. W. Coe
J. Briscoe

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-1936 (Lead-Zinc)
Sun Valley Lead-Silver Mines, Inc.
Blaine County, Idaho
Contract No. Idm-E160

Dear Mr. Weissenborn:

For your information we are enclosing two copies of a memorandum dated March 4, 1953, from the Chief Counsel, regarding Amendment No. 5 of the above-referenced contract.

Sincerely yours,

Chairman, Operating Committee

Enclosures 2

JWAlt/bjl (written 3/9/53)

APPROVED:

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Alt
Mr. Bishop
Mr. Kinkel
Chron.

Member, Bureau of Mines

Member, Geological Survey

140

FILE COPY
SURNAME:

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

March 4, 1953

Memorandum

To: The Administrator

From: Chief Counsel

Subject: Sun Valley Lead-Silver Mines, Inc., Docket No. DMEA-1936, Contract Idm-E160, Amendment No. 5

The subject amendment adds to the work:

"60 feet intermediate crosscut and drift @ $35 . . . $2,100.00"

The amendment further recites: "Costs of this work shall be deducted from funds allotted to drifting, crosscutting, and raising on the No. 1 tunnel level."

The cost of the work is estimated in terms of eight listed elements of work, and not in terms of the categories of actual costs set up in the contract form. However, the Operator necessarily claims for his costs on the basis of the categories of actual costs set forth in the contract form. It follows that it would be impossible to comply with the provision in the amendment that: "Costs of this work shall be deducted . . ." as above stated.

The sentence quoted should not have been placed in the amendment, but rather the usual statement that: "This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form."

I do not believe that this unintelligible statement in the amendment will cause any difficulty in administering this contract, but I am sending a copy of this memorandum to Mr. Chambers for him to check, and I suggest that a copy be sent to Mr. Weissenborn for his information.

JLHofflund/mef
Mails and Files
Mr. Chambers
Mr. Hofflund
Chron.

Admr. R. File
Mr. Griswold
Mr. Kane

J. L. Hofflund
Chief Counsel

Attachments

1936

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

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

January 16, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1953

Mr. G. C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-1936 (Lead-Zinc)
Contract Idm-E160
Blue Kitten mine

Dear Mr. Selfridge:

Attached are the original and two signed copies of Amendment No. 5 to the subject contract, with attached justification.

Copies of the amendment have been distributed to the Operator and the Finance Officer, and we are retaining a copy for our files.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Attachment

cc: USBM (2)
Killingsard

RECEIVED
MAR [illegible]
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

1936

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

December 11, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Sun Valley Lead-Silver Co., Blue Kitten Project, Blaine County, Idaho, Contract Idm-E160, Docket No. DMEA 1936 (Lead-zinc)

The inspection was made November 30, and December 1, 1952, with Mr. Fred Lease, shift boss.

A raise from the lower level had been holed through at 130 feet total with 64 feet of advance since the inspection of October 28, 1952. The 4 x 4 cross section required stulls for climbing but no timbering except in a shear zone exposed last month.

The point of hole through by the raise and the failure of surveys from above and below to close in the raise suggested an error in the sketched relationships between the upper and lower levels. U. S. Bureau of Mines spad No. 188 was placed in the cap of the upper portal set.

Total contract units to date are 179 feet of drift, 293 feet of diamond drilling and 130 feet of raise.

Mr. Kiilsgaard has recommended that the Operator drift south eastward on the upper level, crosscut eastward to the vein along the shear zone about 60 feet up the raise, and crosscut southeast along the fault which offsets the vein at 35 feet up the raise.

The greater portion of this month's advance was in ore which occurred along the intersection of joints and bedding planes. An 8-10" sphalerite vein with the habits of the vein lost by faulting at about 35 feet up the raise is cut by the raise about 40-45' vertically below the upper level. Above this point the joint and bedding ore is much richer but the vein structure disappears to the west, i.e., it hardly crosses the raise.

A 4-foot sample (V.J. No. 12) was taken about 40 feet down the raise where the Operator wished to drift and a 3 foot sample (V.J. No. 11) was taken below the fault at 35 feet up the raise. The raise yielded about 60 tons of ore which is stockpiled. //

Mr. Roundy and Mr. Thorton, operating supervisors, mentioned Mr. Kiilsgaard's directions for project continuation and stated they would commence crosscutting for the vein at about 35 feet up the raise.

Two men at the face and one attendant to the compressor and other equipment were able to make a round per shift in the raise except when powder gases at the back could not be removed by air hose ventilation. Raising costs have been reasonable, about $21 per foot.

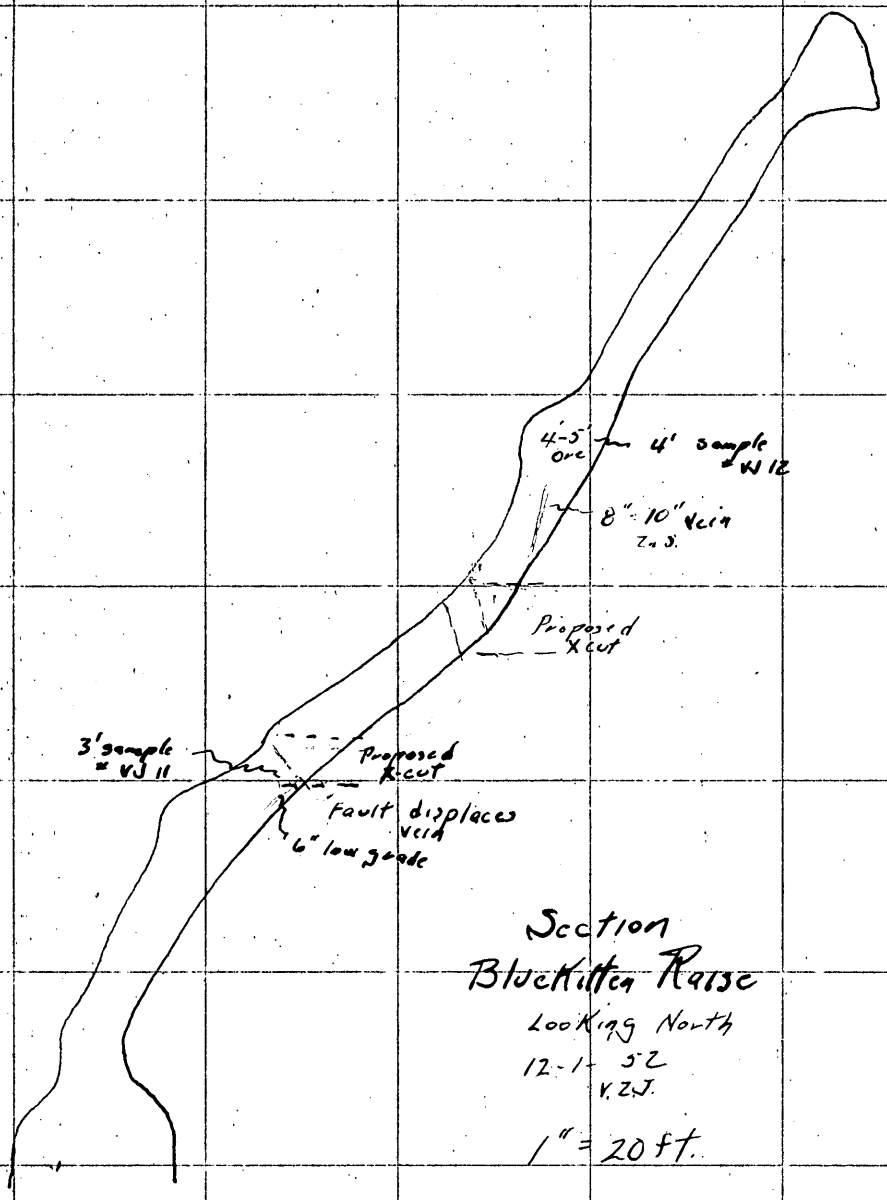
The compressor has been moved under a shed at the upper portal and the water supply has been protected.

The workmanship is satisfactory.

V Z Johnson

V. Z. Johnson

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
VZJ/vf



Section
Bluekettle Raise
Looking North
12-1-52
V.Z.J.

1" = 20 ft.

HALBANE NO. 1 NO. 1950M N.S.C. CO., N.
REG. U.S. PAT. OFF.

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

BEN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Spokane

DEC 19 1952

Spokane 2, Washington
December 11, 1952

Mr. John R. Thornton
Sun Valley Lead-Silver Mines, Inc.
Box 57
Ketchum, Idaho

Subject: Docket No. DMEA 1936 (lead-zinc)
Contract Idm-E160
Blue Kitten mine

Dear Mr. Thornton:

Data presented to the Field Team by V. Z. Johnson, Mining Engineer, Bureau of Mines, as a result of his recent inspection of the subject project indicate that further work from the recently completed raise would be desirable to determine the best plan for future exploration.

Enclosed are 7 copies of a contract amendment to permit intermediate crosscutting from the raise. If this amendment meets with your approval please sign all copies, retain the "Operator's Copy" for your files and return the remaining copies to this office.

The amendment, together with this letter, constitutes your authorization to drive two crosscuts from the raise; one to be driven from a point 60 feet above the sill in an easterly direction for about 20 feet along the shear zone which required timber; and one to be driven along the fault from a point in the raise 35 feet above the sill in a southeasterly direction for not more than 15 feet to test for a possible vein offset at that point.

Work under the contract should be limited to these two headings and to advancing the southeast face of the upper level. Please advise us when the crosscuts are completed.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey
157 South Howard St.

cc: DMEA, Wash. (3)
USGS (2)

M. E. Volin, Member
U. S. Bureau of Mines
1201 N. Division St.

Enclosure

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

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

NOV 2 2 1952

November 19, 1952

Mr. John Thornton
Sun Valley Lead-Silver Mines, Inc.
Ketchum, Idaho

Re: Docket DMA 1936 (Lead-Zinc)
Blue Kitten Mine
Blaine County, Idaho
Contract Idm-E160

Dear John:

I have received your letter of November 12 and note that your raise is making good progress. I am glad to hear that it is getting into ore and hope that the grade and quantity continues to improve.

Apparently my last letter reached you about the same time that you were writing to me. Therefore, to avoid any confusion, I would again like to state that when the raise is completed we would like to be informed and at that time discuss further details of exploration. You suggest that we bench-off down the raise as far as the ore goes, following the ore on its dip and strike. There is some question as to whether such work would be exploration; moreover, what you propose is not too definite and consequently cannot be approved in this office at this time. If the ore warrants, we should by all means further explore it, but as to how this will be done will depend on the geologic interpretation made from data acquired in the raise. For this reason we should like either to have you inform us of your exploration intentions when the raise is completed, or to have one of our men on the property so that we may discuss further work.

Wishing you the best of luck, I remain,

Sincerely yours,

Thor H. Kiilsgaard
For: M. E. Volin
Acting Executive Officer
DMEA Field Team, Region II

cc: DMEA (2)
USBM (2)
Kiilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1952

November 13, 1952

Mr. John Thornton
Sun Valley Lead-Silver Mining Company
Ketchum, Idaho

Dnea 1936

Dear Mr. Thornton:

Mr. V. Z. Johnson, U. S. Bureau of Mines, recently stopped by this office and reported that your raise was up 66 feet as of October 28, 1952. He stated that you had encountered a small showing of ore in that area which suggests that you were approaching the lower limits of the ore body mined above the No. 1 level. In any event, it is apparent that you, as of that date, were about 4[illegible] feet from the upper level.

We would appreciate being informed by telephone or by immediate letter when you hole through to the upper level. At that time it will be necessary to re-evaluate your exploration program and to decide where additional exploration might be performed.

Wishing you the best of luck in your exploration program, I remain,

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
DMEA (2)
Kiilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Washington
November 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1952

Mr. John R. Thornton
Sun Valley Lead-Silver Mines, Inc.
P. O. Box 57
Ketchum, Idaho

Subject: Docket No. DMEA 1936 (lead-zinc)
Contract Idm-E160 - September 1952
monthly operating report

Dear Mr. Thornton:

The subject monthly operating report has been approved and forwarded to the Certifying Officer for vouchering. It is noted, however, that the cost of drifting for the period was excessive compared to that obtained previously, and it occurred to us that proration of costs for the period might be in error.

For example, the cost of labor and supervision for 40 feet of drifting as shown is $990.60 - almost $25.00 per foot. As diamond drilling, not charged to the contract, was done during the month, possibly some of this cost should have been prorated to that account.

We realize that operating difficulties of which we are not aware might have caused these higher costs. It would be appreciated if you could furnish us with a further explanation of these charges.

Sincerely yours,

Thomas E. Howard
Chief, DMEA Section
Bureau of Mines, Region II

TEH/MEV/he

cc: DMEA, Wash. (2)
USGS (2)
DMEA
TEH
DF

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

1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 0 1952

November 3, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Sun Valley Lead-Silver, Blue Kitten project, Blaine County, Idaho, Contract Idm-E160, Docket No. DMEA 1936 (lead-zinc)

The inspection was made October 27 and 28, 1952, with Mr. Fred Lease, shift-boss.

The Operator had advanced 66 feet in the raise located during the visit of the inspecting party on September 29, 1952. At 35 feet faulting of the quartz calcite vein on which the raise had been started caused some confusion; apparently from 35 feet onward a parallel veinlet was followed. This fault appears to be the same one exposed in the drift 25 feet north of the raise bottom. At the fault the vein showed considerable improvement in sulfide content over that exposed on the lower level.

Timbering was required where the raise crossed a zone of shearing at 60 - 65 feet; the balance of the raise is untimbered except for occasional stulls. The cross section is about 6 x 6 and the inclination will average +50 degrees.

At 66 feet, the raise face exposes disseminated patches of sphalerite along bedding and joints as is the habit of the upper level.

The location of the raise face in relation to upper workings was called to the Operators attention with the recommendation that it be turned 30 degrees eastward. He was in accord with the suggestion.

V Z Johnson

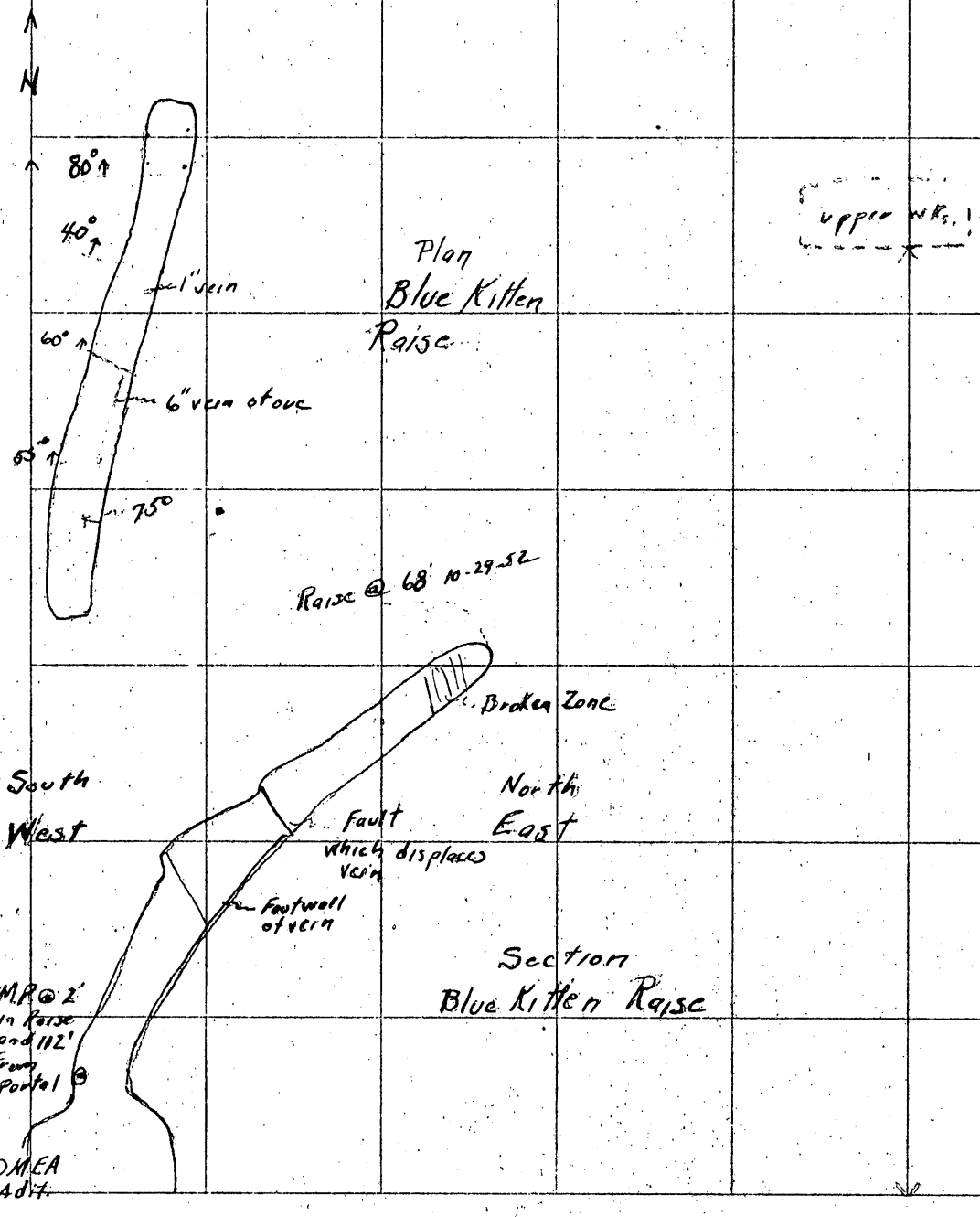
V. Z. Johnson

Orig. and 3 - Wash.
USGS - 2
DMEA
M/D
VZJ/vf

Blue Kitten Raise

1" = 20'

10-28-52 V.Z.J.



"ALBANENE" No. 100M K&E CO.
REG. U.S. PAT. OFF.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC

So. 157 Howard Street
Spokane 4, Washington

October 21, 1952

Mr. John Thornton
Sun Valley Lead-Silver Mining Company
Ketchum, Idaho

Re: Docket DMEA 1936 (lead-zinc)
Blue Kitten Mines
Blaine County, Idaho
Contract Idm-E160

Dear John:

As per our telephone conversation of last Friday, I am forwarding to you a plan map of the locations of the upper and lower levels of the Blue Kitten mine, the positions of the various diamond drill holes, and some descriptions of the geology of the lower level. I am also enclosing cross sections A-A' and B-B'. The sections are hypothetical and quite probably are not accurate but are designed to illustrate some of the points which I shall attempt to discuss in this letter. It is hoped that the map and the sections may be of some use to you, as work sheets if nothing else.

In the following paragraphs I shall attempt to describe the geology as I now see it and to advise on what may be expected in the raise currently being driven, and from future exploration work that may be directed from the lower level.

First of all, let us discuss the ore structure as it occurs on the upper level. That structure has a very definite hanging wall, although the wall shows very little gouge. You will recall that the dip is quite steep, ranging up to 65°, but that about 2 sets above the level the dip flattens somewhat. The hanging wall in the stope is also even and quite definite. The footwall is rather indefinite; however, where it is cut by the footwall crosscut it, too, dipped in the same direction as the hanging wall but at a somewhat lesser angle. The mineralized zone on the upper level is almost 20 feet in

thickness. As we have just stated, there are no definite gouge seams within the mineralized area but the dip is to the southwest and there is a good possibility that the dip is controlled by joint planes within the limestone. Indeed, it is possible that jointing controls the location of this large mineralized area.

The b oad mineralized zone on the upper level does not extend to the lower level, or if it does is expressed only by the vein on which the present raise is being driven. As you can see by both sections there need be only a very minor change in dip for the upper mineralized area to extend to that vein now being explored by the raise. If the vein on the lower level represents the broad mineralized zone on the upper level there is immediately raised the question of what has happened to the ore? A possible explanation of this is presented in section A-A'. In this section I have taken the ore body as it is seen in the upper level and extended it for a distance below the upper level. I have also projected the numerous bedding seams of mineralization encountered in the lower level footwall crosscut and in the No's. 2 and 3 diamond drill holes into the plane of section. You will note that the maximum number of these bedding seam veins project upward to an area extending above and below the upper level. Such a projection presents what might be an ore control on the known ore body. It is possible that these bedding seams are feeder-veins and that at that point at which they intersect the joint planes or faults dipping to the southwest, they form an ore body. The ore zone near the upper level is as you know broken by numerous joint planes and other fractures dipping to the southwest. If those joint planes and fracturing were in place before mineralization arose along the bedding seams, it could very well account for the location of the ore body in its present position. If such bedding veins and a joint planes or a fault plane relationships are responsible for the location of the ore body, such an ore body would rake very flatly toward the southeast. Such a rake would project the ore body to the southeast on an inclined plane well above the present lower level. It is hoped that the present raise will give us more information on such a possible raking ore body.

The foregoing theory may be completely in error, but it is presented to you for what it may be worth. It does suggest a strong theory on the control of the ore body. I might add that cross section A-A' also offers an explanation as to why we did not favor continued drifting to the north on the lower level. Drifting on the small bedding seams would probably be fruitless, inasmuch as the bedding planes appear to control the width of the seam and there is little opportunity of the seam opening into a minable ore body. Another point that makes continued northward drifting unfeasible is that on the outcrop granite crosses the vein at a point not too far north of the northernmost open pit. The face of the north drift cannot be too far from being directly over the granite contact. It is not known whether the granite is a small dike or part of the main body of granite, but in either case there is no evidence of mineralization in the granite on the outcrop, at least I didn't see any.

In section B-B' we have attempted to project the vein from the lower level to the upper level. Such a projection requires a slight flattening of dip somewhere between the two levels. It is possible that the dip does not flatten but that the vein is instead faulted and offset. The only known faults that could offset the vein in such a manner are those faults that cross the vein in the lower level about 25 feet north of the base of the raise. Where cut in the drift, these faults appear to be slight and do not give the impression of offsetting the vein any distance. They may, however, be larger than we realize. If the faults offset the vein they probably displace the hanging wall side downward and to the east. This inference of fault offset is based on the position of the vein in the upper level in the hanging wall block as versus the vein in the lower level, and also on the steep dip of the faults. It was with this thought in mind that I recommended you to raise completely through the faulted area and then, if the raise was in barren limestone, that you drill to the east and to the west to intersect the vein structure. It is most possible that the vein will be to the east which would, of course, mean that you might have to flatten the dip of the raise to reach the vein. I plan to discuss the raise and the possible location of the vein rather thoroughly with Mr. Verdo Johnson of the Bureau of Mines who intends to visit your property during the latter part of this week or the first part of next week. He should be able to advise you on any raising problems which you may have in mind. In any event, we should try and get this raise into the ore zone and to determine, if nothing else, the possible lower extremity of the ore zone. If the ore makes at the intersection of the bedding seams and joint planes as I have tried to describe to you, it is possible that the ore zone does not extend too far vertically. It could be more a slightly raking manto or pipe rake ore body which extends to the southeast. If this is the shape of the ore body it will not give too many feet of backs to mining but would be of extreme importance to us to know as it would determine the course of future exploration work.

I realize this letter has been rather long and rambling and I am sorry that I have had to dictate it rather than take the time to prepare a more carefully worded report; however, I do not have time to employ the latter method. I hope, however, that it is of some use to you and that it will explain the importance of the present raise. If there are any parts of this letter with which you disagree, I will appreciate your comments.

Wishing you every success in your exploration project, I remain,

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures (3)
cc: USBM(2)
DMEA(2)
Kiilsgaard

1936

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1952

DMEA (W)

October 20, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Routine examination of Sun Valley Lead-Silver property, Blaine County, Idaho, Contract Idm-E160, Docket No. DMA-1936 (Lead-Zinc).

I examined the Blue Kitten mine, operated by the Sun Valley Lead-Silver Mining Company, on September 29, 1952, in company with Messrs. Horace Reno and Verdo Johnson, engineers of the U. S. Bureau of Mines, and Mr. Gerald Fuller, geologist for the U. S. Geological Survey. Mr. John Thornton, manager of the project, and Mr. Ross Roundy, president of the Sun Valley Lead-Silver Company, were also present during the examination.

Since my last examination on August 10, 1952, the Sun Valley Lead-Silver Company had drilled four diamond drill holes totaling 256 feet in length, driven 23 feet of crosscut to the northeast, and drifted to the north for 68 feet. Four of the Diamond Drill holes, No's. 4, 6, and 7, aggregating 116 feet in length, were drilled at sites not in accord with a previous agreement between the Operator and the Government and thus were not in accord with Amendment No. 4 of the contract. It was subsequently recommended that the Government not participate in the costs of these holes and the Operator was so advised. As a result of the No. 3 hole the Operator advanced the Northeast crosscut 23 feet further to the northeast to test mineralization found in the core. This mineralization proved to be a series of pyrite-sphalerite seams in bedding planes that ranged from 1/8 to 1 inch in thickness. These seams are frozen to the walls and are remarkably uniform in dimension and content. After intersecting these seams the Northeast crosscut was turned to the north and the seams were drifted on for a distance of 68 feet. Drifting at this face was in progress at the time of the visit.

Following the mapping of the recent work the Operator was advised that further advance of the Northeast drift should be on company account; a letter from the Field Team was subsequently forwarded to him affirming this decision. Such action was deemed necessary as a previous verbal agreement with the Operator to cease driving northeast and northern headings on the lower level, without agreement by the Government, had failed to be observed.

The Operator stated that he wished to raise from the lower to the upper level as is allowable in the contract and asked for suggestions as to the most favorable site to locate such a raise. He was advised that the quartz-calcite structure, intersected by the lower level near station L2, was comparable to the mineralized structure in the upper level, and that a raise of this structure should give valuable information on the downward continuation of the upper level ore shoot. The Operator agreed on this proposal and stated that he would immediately begin raising on a N. 26°30'E. bearing, the raise to be inclined 53°30' from the horizontal in the plane of the vein. This raise should hole through in the upper level about 22 feet north of the South drift face.

Thor H. Kiilsgaard
Geologist

cc: DMEA (4)
USBM (2)
Kiilsgaard

1936

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 North Division St.
Spokane 2, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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OCT 27 1952

October 10, 1952

Betty

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of exploration project, Sun Valley Lead-Silver Mines, Blaine County, Idaho, Contract Idm-E160, Docket No. DMEA 1936 (Pb-Zn)

The inspection was made by Messrs. Thor Kiilsgaard and J. Fuller, USGS, and H. T. Reno and V. Z. Johnson, USBM. Mr. John Thornton and Mr. Ross Roundy were present to discuss procedure.

Since Mr. Kiilsgaard's letter of August 26, 1952, diamond drill holes numbered 2, 3, 4, 5, 6, and 7 have been drilled without encountering mineralization strong enough to warrant further work. The Operator was informed that DMEA participation could not be justified for holes numbered 3, 4, 6 and 7 because location and direction were not in accord with Mr. Kiilsgaard's letter of August 22, 1952.

Mr. Kiilsgaard's letters of August 22nd and 26th describe the lack of mineralized structures exposed in crosscuts and drifts through the target area north of the DMEA adit and the above diamond drilling is not encouraging. It was, therefore, necessary to stop DMEA participation north of the adit and insist on a raise in the vein where it is intersected by the DMEA adit. Alignment of the raise so as to encounter the upper workings in the vein was established and plugs with nails for line reference were placed.

V Z Johnson

V. Z. Johnson

Orig. & 3 - Wash.
USGS (2)
DMEA
M/D
VZJ/vf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
Spokane, Washington
October 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 8 1952

Sun Valley Lead-Silver Mines, Inc.
Box 57
Ketchum, Idaho

Subject: Docket No. DMEA 1936 (lead-zinc)
Contract Idm-E160

Gentlemen:

This will confirm certain recommendations made by Thor H. Kiilsgaard and Horace T. Reno, Field Team representatives who made an examination of your exploration project on September 29, 1952.

As work to date has indicated that further drifting and crosscutting on the lower level of the Blue Kitten mine is not justified at the present time, you are hereby notified that the cost of any such work done after September 29, 1952 without written approval from the Field Team will be for your own account.

You are further advised that diamond drill holes Nos. 3, 4, 6 and 7, aggregating 116 feet in length, cannot be considered part of the contract work and that their cost will be deducted from the amount reported for diamond drilling in your August 1952 invoice.

This letter may be considered your authorization to begin work on the raise as agreed by you and the above-named representatives of the Field Team. It is understood that the raise shall follow a 2-1/2-foot wide quartz vein, starting on it about 112 feet northeast of marker tag USBM #22 and following it on an inclination of approximately 53° 30' above horizontal.

By Field Team, Region II

cc: DMEA, Wash. (2)
USGS (2)

A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)
So. 157 Howard St.

M. E. Volin, Member
(U. S. Bureau of Mines)
1201 N. Division St.

1936

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

So. 157 Howard Street
Spokane 4, Washington

August 27, 1952

Mr. John Thornton
Sun Valley Lead-Silver Mining Company
Ketchum, Idaho

Dear John:

Enclosed is a copy of Amendment No. 4, that amendment drawn up in your office at the time of my recent examination. You will note that the amendment specifies that all diamond drilling must meet with the approval of the Government, and it is therefore suggested that before you change any drilling sites from those discussed at our meeting that you so notify us for our comments.

Hoping your exploration program is progressing more favorably, I remain,

Sincerely yours,

Thor H. Kiilsgaard
For: M. E. Volin, Acting Exec. Officer
DMEA Field Team, Region II

Enclosure

cc: DMEA (2)
USGS

SEP 2 1952

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

So. 157 Howard Street
Spokane 4, Washington

August 26, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Sun Valley Lead-Silver Mines, Inc.,
DMEA Docket 1936, Contract Idm-E160,
Lead-Zinc.

Dear Sir:

Enclosed are three copies of Amendment No. 4 to Contract Idm-E160. This amendment allows 1,000 feet of diamond drilling at an estimated cost of $4.50 per foot. All drilling will test for the Blue Kitten structure and will be done only with approval of the Government.

The DMEA adit, driven 108 feet below the upper level of the Blue Kitten mine, has failed to find any significant amount of ore. A vein was intersected in the adit which could be the vein projected from the upper level, but this vein does not continue to the north to a position down dip from the upper level mine workings as would be expected. Crosscuts driven from the adit have also failed to find any commercial amounts of ore. In view of the fact that no mineralized structures have been found in the target area, it was deemed advisable to cease driving expensive headings off the DMEA adit and diamond drill the area instead. If favorable structures are encountered, they can be further tested by adit work; however, if the area should prove barren, the exploration program may be terminated at a saving both to the Government and the Operator.

Sincerely,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: M. E. Volin, Acting Exec. Officer
DMEA Field Team, Region II

RECEIVED
SEP 5 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Enclosure

cc: USBM (2)

So. 157 Howard Street
Spokane 4, Washington

August 22, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Routine examination of the Sun Valley Lead-Silver property, Blaine County, Idaho, Contract Idm-E160, Docket No. DMEA-1936, Lead-Zinc.

I examined the Sun Valley Lead-Silver property on August 4, 1952, in company with Mr. John Thornton, mine manager. Time spent on the property was devoted to mapping the DMEA adit, logging the core of diamond drill holes drilled from the adit, and to working on details of a proposed contract amendment concerning diamond drilling.

The DMEA adit was driven to come about 100 feet below the Upper Blue Kitten adit with the intention of intersecting the ore zone directly down dip from the stope above the upper level. The adit was driven 115 feet when a quartz-calcite vein containing some sulphides was encountered. This vein is in the projected position of the ore-bearing structure mined from the upper level. After crosscutting the structure, the adit was turned to the north to follow the vein. The structure was offset by a fault 30 feet from the turn but the adit continued north for 15 feet where a short crosscut was driven to the northwest following a calcite stringer. On June 1, 1952, when this crosscut was being driven, Tom Howard of the U. S. Bureau of Mines and I examined the mine. We ran a Brunton and tape survey between the portals of the upper adit and the DMEA adit and found the Operator's transit survey, made by a consultant, to be in error by 60 feet. The DMEA adit, instead of intersecting the ore zone down dip from the upper level stope, was 60 feet to the south. We therefore advised the Operator to continue drifting to the north for 60 feet and that if he did not intersect ore in that distance to crosscut into the hanging wall to the northwest.

During July 1952 the Operator phoned this office saying he had advanced the adit to the north for 66 feet and had also driven a hanging wall crosscut 35 feet to the northwest, but had found no ore. He asked if the contract could be amended to allow diamond drilling in the foot and hanging wall areas. He was advised that since adit work had not been encouraging the Field Team would recommend diamond drilling to more cheaply test possible ore structures. The locations of two drilling sites were discussed and approved. He was informed to forward to this office a map showing where the holes would be located together with the estimated drilling costs so that an amendment could be prepared. This information was not received. On August 8, the Operator informed me that he had been unable to find an engineer to prepare the map and had instead been waiting for a DMEA representative to arrive, since he felt that he was not sure which would be the more suitable targets.

At the time of the visit I found that the Operator had drilled two holes, the locations of which had been discussed by telephone. Hole No. 1 went 52 feet to the northwest from the face of the 35-foot hanging wall crosscut; it was barren of ore. Hole No. 2 went N. 81° E. for 86 feet from a point near the north face of the adit. Core from this hole showed some granitic stringers and several 1/2-inch to 1-inch stringers of ore. On the strength of this core the Operator turned a footwall crosscut to a bearing roughly parallel to this hole and had advanced this crosscut 52 feet. Some thin, dark bedding seams, containing minor amounts of sphalerite and galena, show in the walls of this crosscut but not enough to be encouraging.

On August 10, 1952, I returned to the property with Mr. Thornton. At that time I advised that he discontinue the footwall crosscut and that he cease all crosscutting pending results of the diamond drilling. I suggested that he move his crew to the upper adit level and drift on the vein as is allowable in the contract, but he stated that finances would not permit him to do such work at the present time. Instead, he favored devoting full time to diamond drilling and pointed out that he had drilled another hole into the footwall area since my visit of a few days before.

A diamond drilling program was drawn up allowing for 1000 feet of drilling at $4.50 per foot. This program would cover those holes already drilled and in addition the five following holes, the sites of which were marked at the mine:

No. 4, N. 78° W., at ± 60°, for 100 feet from near the face of the footwall crosscut.
No. 5, S. 78° E., at ± 4°, for 100 feet from a point 35 feet from the portal of the DMEA adit.

No. 6, N. 70° E., ± 4°, 100 feet, from the east face of the DMEA adit.
No. 7, N. 80° E., ± 40°, 150 feet, from the surface near the base of the ore bin below the upper adit.
No. 8, Due East, ± 4°, 120 feet from the surface near the base of the ore bin below the upper adit.

The location of these holes might be changed if findings in preceeding holes are suggestive. After the holes are drilled the program will be re-evaluated to determine where the footage remaining to be drilled may best be located, if such drilling is warranted.

Thor H. Kiilsgaard

cc: DMEA (4)
USBM (2)
USGS (SRO)

THK/iml

Sun Valley Lead-Silver Mines, Inc.

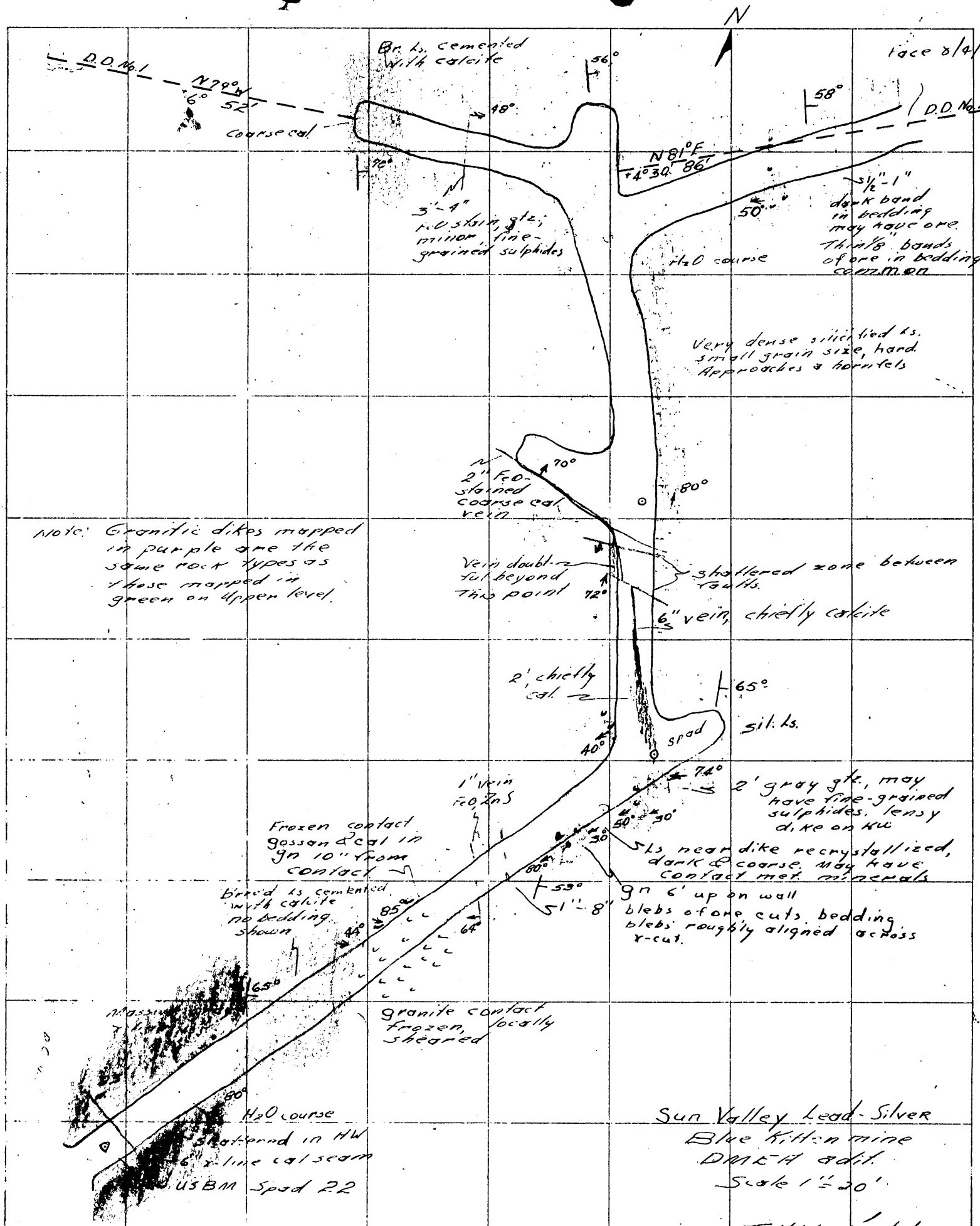
Blue Kitten mine

Log of DD Hole No. 1, drilled N. 79° W., ± 6°, for 52 feet from the face of the 35-foot northwest crosscut off the DMEA adit.

Distance in feet	Remarks
0 - 17	Brecciated, blue-gray limestone cemented by calcite, much coarse calcite in bedding. Poor core recovery.
17 - 32	Gray, siliceous limestone. At 22 feet hit a 1-foot siliceous zone with some galena.
32 - 47	Siliceous limestone, brecciated, considerable calcite.
47 - 52	Blue-gray limestone, very little silicification.

Log of DD Hole No. 2, drilled N. 81° E., ± 4° 30', for 86 feet from a point near the north face of the DMEA adit.

Distance in feet	Remarks
0 - 9	Siliceous limestone, whitish, fine-grained, almost a hornfels.
9 - 19	Siliceous limestone, small amount of granitic dike at 11 feet.
19 - 24	Siliceous limestone, whitish.
24 - 29	Siliceous limestone, at 24 feet 10 inches of granitic dike.
29 - 34	Siliceous limestone, 6 inches of granitic dike at 33 feet.
34 - 39	Siliceous limestone.
39 - 44	Dark banded siliceous limestone, at 42 feet 3 inches of sulphides, chiefly pyrite, some sphalerite.
44 - 50	Siliceous limestone, some dark bands up to 6 inches width. All banding in bedding.
50 - 55	Siliceous limestone, at 53 feet, 1-foot dark band in bedding with scattered fine-grained sulphides.
55 - 60	Siliceous limestone, dark bands in bedding, 1-inch sulphide at 58 feet.
60 - 70	Light colored siliceous limestone, 1 inch dark band with fine pyrite and sphalerite at 67 feet.
70 - 75	Light, siliceous limestone, 2 feet dark banded limestone at 73 feet. One inch sulphides just beyond 73 feet.
75 - 86	Siliceous limestone, hit granite at 82 feet, end of hole still in granite.



"ALBANENE" No. 198M K&E CO., N.Y.
REG. U.S. PAT. OFF

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

So. 157 Howard Street
Spokane 4, Washington

May 26, 1952

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration

From: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

Subject: Amendment to Sun Valley Lead-Silver Mines, Inc. Box 57, Ketchum, Idaho, Docket DMEA-1936, Lead-Zinc Contract Idm-E160.

Enclosed are three copies of an amendment to Sun Valley Lead-Silver Mines, Inc. It is believed that the reasons for the amendment are self-evident.

One copy has been given to the Operator, and one has been sent to Mr. Lee, the Certifying Officer.

A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

S 25 (-10-51

RECEIVED
MAY 19 1952
U. S. G. S.
SPOKANE, WASH.

M. E. Volin, Member, DMEA Field Team, Reg. II May 12, 1952

T. E. Howard, mining engineer, Bureau of Mines

Routine inspection, Sun Valley Lead-Silver Mines, Inc., Docket No. DMEA 1936, Contract Idm-E160 (lead-zinc).

The subject inspection was made April 21, 1952, in company with John Thornton, superintendent.

Reopening of the mine access road, which was closed at the end of December by heavy snows, had just been completed and the other necessary preparations for resuming operations under the contract had been made. The operator stated that work on the lower adit level would be started the next day. The lower adit had been driven 18 feet prior to the shutdown.

A new 500 cfm compressor was in place near the lower adit portal. It will be used to provide compressed air for both the exploration work and the mining operations in place of the old 315 cfm compressor which was used previously. The operator requested that his contract be amended to provide for depreciation allowance on this machine rather than the 315 cfm machine specified. He agreed to a maximum monthly allowance of $100.00, which is the amount allowed for the old machine under the contract.

He also requested an amendment to allow the cost of snow removal in reopening the 8-mile access road as a cost of the project. Numerous large slides made the use of both a dozer and a rotary snowplow necessary and the operator estimates the cost to be about $700.00. At least another month of the working season would have been lost if the road had not been plowed out at that time.

T. E. Howard

Orig. to files
cc: USGS
2 cys - Wash.
TEH

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
MAY 21 1952

C
O
P
Y

SUN VALLEY LEAD-SILVER MINES, Inc.
Office - Ketchum, Idaho - Phone 3573

P. O. Box 57
Ketchum, Idaho

April 22, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY - 2 1952

Mr. A. E. Weissenborn
U. S. Geological Survey
S. 157 Howard St.
Spokane, Washington

Dear Mr. Weissenborn:

I wish to inform you that development work has commenced at this company's Blue Kitten Mine, April 21, 1952. Snowslides in this area made it impossible for us to work since the 5th. of January.

Very truly yours,

/s/ John R. Thornton

John R. Thornton
Sec'y-Treasurer
Sun Valley Lead-Silver Mines.

DMEA, Wash. D. C.

1936

IDAHO

BLAINE COUNTY

February 1, 1952

Sun Valley Lead-Silver Mines, Idm-E160, Pb-Zn

50-50 of $28,384.00

2 years

The contract calls for 1,195 feet of short crosscuts and drifts and 163 feet of raising in a body of limestone which contains a network of irregular lead-zinc-silver bearing viens.

Legal problems prevented work on the property, for about 2 months. These problems were finally settled and explorations started only to be recessed because of abnormal winter conditions.

FILE COPY
SURNAME:

410

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

OCT 31 1951

Contract Service Section
General Accounting Office
Fourth Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA - 1936
Sun Valley Lead-Silver Mines, Inc.
Exploration Project Contract Idm-E160

Gentlemen:

There is enclosed the original of an Amendment (2 pages) to the captioned Exploration Project Contract which should be attached to the original contract previously sent to you.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director
Production Expansion Division

Enclosure

10/29/51
JWAlt/meb

cc to: Admr's Reading Files
Reports and Records
Messrs.Mittendorf/Olund
Mr. Alt
Docket

C
O
P
Y

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 25 1951
Defense Minerals Administration,
Production Expansion Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Mines

1201 N. Division Street
Spokane 2, Wash.

October 19, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division, Defense Minerals Administration

From: DMA Field Team, Region II

Subject: Contract amendments I-DMA-E18, I-DMA-E12, Idm-E60, I-DMA-E102, and Idm-E160

bma - 1936

Enclosed for appropriate distribution are three copies each of the subject contracts. Copies of these amendments have been forwarded to the DMA Fiscal Officer, Region II, and to the companies concerned.

By Field Team, Region II

/s/ A. E. Weissenborn

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

Glen C. Reed /s/

Glenn C. Reed
For: M. E. Volin, Member
(U. S. Bureau of Mines)

FILE COPY
SURNAME: 410

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

J.W.A.
Mittendorf (fm)

OCT 18 1951

A. E. P. -

Contract Service Section
General Accounting Office
Fourth Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA - 1936
Sun Valley Silver Mines, Inc.
Exploration Project Contract Idm-E160

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the Operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf (fm)

Co O. Mittendorf, Director
Production Expansion Division

Enclosure

JWAlt/meb
10/15/51
cc to: Admr's Reading Files
Reports and Records
Messrs.Mittendorf/Olund
JWAlt
Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1201 N. Division St.
Spokane 2, Wash.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
OCT 15 8 45 AM '51

October 10, 1951

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 15 1951
Defense Minerals Administration,
Production Expansion Division.

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Washington 25, D.C.

Subject: Exploration Project Contract
Idm-E 160, Sun Valley Lead-
Silver Mines, Inc.
Docket No. DMA 1936

Dear Mr. Mittendorf:

Enclosed are the original and three copies of the subject contract, signed by a duly authorized official of the company. One copy has been given to the operator and one is being retained here.

Sincerely yours,

M. E. Volin
Acting Executive Officer
DMA Field Team, Region II

Encl.

FILE COPY
SURNAME:

410

Mittendorf

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

OCT 1 1951

a.E.C

Mr. A. E. Weissenborn
Executive Officer
Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA - 1936
Sun Valley Lead-Silver Mines, Incorporated
Exploration Project Contract Id-E160

Dear Mr. Weissenborn:

We are enclosing the original and five copies of the above-referenced Exploration Contract, signed by me, together with Exhibit "A" (3 pages), Subordination Agreement, Lease and Option, and one map.

If the terms and conditions of this contract are approved by the Operator, all six copies should be signed by a duly-authorized official of the company, one copy should be given to the Operator, one copy retained by your office and the original and three copies returned to this office.

If any part of this contract does not have the approval of the Operator, the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

C. O. Mittendorf (J.W.A.) S.F. 10-1

C. O. Mittendorf, Director
Production Expansion Division

Enclosures

APPROVED:

Tom Lyon
Chairman, Coordinating Committee

Member, Geological Survey

Member, Bureau of Mines

JWAlt/meb
9/25/51
cc to: Admr's Reading Files
Reports & Records
Messrs. Mittendorf/Olund
Billings Mote
McKnight Alt
Docket

350

FILE COPY
SURNAME:

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

SEP 25 1951

Billings
Brooks
McKnight

DMA-1936

Memorandum

To: Production Expansion Division

From: T. P. Billings, Chief, Lead-Zinc Branch

Subject: Sun Valley Lead-Silver Mines, Inc.
P.O. Box 57
Ketchum, Idaho
Lease and Option - DMA 1936

Attached are six copies of Lease and Option on the Blue Kitten property, Blaine County, Idaho, with covering letter dated September 12, 1951, from the applicant.

T. P. Billings, Chief
Lead-Zinc Branch

not stripped in RTR.

Attachments

Approved:

Tom Lyon

T. Lyon, Director
Supply Division

ETMcKnight:ks:lm
9/19/51

ec: Administrator's reading file
Mote
McKnight
Billings
✓ DMA Docket File

A.E.C.

FILE COPY
SURNAME:
140
Guthrie

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

September 24, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Sun Valley Lead-Silver Mines, Incorporated exploration contract -- Docket No. DMA-1936

The proposed exploration in the captioned case is approved as to legal form and sufficiency for signature by the Government subject to:

1. Government approval of any subcontracts under which work upon the project is to be performed.

2. Proper signature by the applicant.

3. Proper dating prior to delivery.

Your file is returned herewith.

not stuffed
R + R.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

RRGuthrie/ema

Copy to: Reports & Records
R. R. Guthrie
J. L. Hofflund
Chron.

SUN VALLEY LEAD-SILVER MINES, Inc.

OFFICE — KETCHUM, IDAHO — PHONE ~~2285~~ 3573

P. O. BOX 57

KETCHUM, IDAHO

September 12, 1951.

OFFICIAL FILE COPY

To	Init.	Date
210		

U.S. Department of Interior
Defense Minerals Administration
Washington 25, D.C.

Att: Mr. T.P. Billings

Dear Mr. Billings:

Enclosed is an original and five copies of our Lease and Option, of which you wrote for, on our Blue Kitten Property, Blaine County, Idaho.

We are mining,and milling Lead-Zinc ores at the Company's 100 (one hundred) ton flotation mill daily. This morning a carload of Zinc was shipped to the Anaconda Copper Mining Co.

Sincerely hoping action is taken on our loan.

Yours very truly,

John R. Thornton

John R. Thornton
Secretary-Treasurer

Re: DMA-1936

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 17 1951

SEP 17 1951

FILE COPY
350
SURNAME:

Newcomb (ETM)
McKnight
Don Bolsh
Billings

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

SEP 6 1951

R: Ama 1936

G. E. C.

Mr. John R. Thornton
Sun Valley Lead-Silver Mines, Inc.
Box 57
Ketchum, Idaho

Dear Mr. Thornton:

The Lead-Zinc Branch of the Defense Minerals Administration is reviewing your application for an exploration lean at the Blue Kitten property, Blaine County, Idaho.

Before further action can be taken on this application, we must have six (6) copies of your lease on the subject property.

Please send these at your earliest possible convenience.

Thank you for your consideration in this matter.

Very truly yours,

BJ 9/6

T. P. Billings, Chief
Lead-Zinc Branch

cc: A. E. Weissenborn, Region II
Chief, Lead-Zinc Br.
E. T. McKnight
R. H. Mote
Reports and Records
Dir. Reading, Rm. 4212, GSA
Br. Reading, Rm. 4212, GSA
Files

ELNewcomb:jr
G: 8/31/51

McKnight

6/5/51

8-24-51 Billings Bishop

Defense Minerals Administration

Review of Application for Exploration Assistance

To: Production Expansion Division

From: Director, Supply Division

Docket No. DMA-1936

Commodity Lead-Zinc

Total Amount $28,384.00

50%

Govt. Participation $14,192.00

1. Name and Address of Applicant Mr. John R. Thornton

Sun Valley Lead-Silver Mines, Inc., Box 57, Ketchum, Idaho

2. Location of Property Blue Kitten Mine, Blaine County, Idaho

3. Mineral or metal Lead-Zinc Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good Yes; see field team report

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? No, leasee deleted
(question 5, 6, 7)* Request for same sent to applicant

6. If applicant is a lessee, is a copy of the lease attached? No

Does the lease have sufficient time to run to cover a future

productive period? Don't know

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes, attached in docket

a) MF-201? _____

b) MF-202 Yes, attached in docket

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* _____

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? Completed

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? ~~Completed~~

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? Yes If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? See exhibits If so, attach a draft.

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? Completed

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes

b) If so, are sufficient data furnished? Yes If so, attach a draft.

c) Is a field check needed? Completed

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? Completed

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? Completed

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? Yes

c) Reasonable? Yes

d) Field check needed? Completed

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

Recommended for approval

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

approved
Jon Lyon

Reviewed by: E. L. Newcomb

Date ~~8-24-51~~

INT.-DUP. SEC., WASH., D.C. 99009

August 8, 1951

Mr. John R. Thornton, Secretary
Sun Valley Lead-Silver Mines, Inc.
Box 57
Ketchum, Idaho

Subject: DMA-1936
Re: Exploration Loan -
Blue Kitten

My dear Mr. Thornton:

Receipt is acknowledged of your application and attachments of July 31, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1936 and referred to Mr. Thomas Billings, Chief, Lead-Zinc Branch on August 7, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1936.

Sincerely yours,

ROBERT E. ADAMS BJ 8-8

Robert E. Adams
Chief, Reports & Records Unit

REAdams:jc
cc: Billings
Lyon
Reports & Records File

AUG 9 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

August 7, 1951

Mr. T. P. Billings, Chief
Lead-Zinc Branch
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Billings:

In reply to your telegram of August 2 we wish to advise that we do not have the original docket of the Last Chance group, DMA 785. We find in our Last Chance file copies of two maps on the Last Chance property which may have been a part of the original docket. These copies are enclosed herewith. We note in a copy of a letter of June 26 that the DMA Field Team composed of M. R. Klepper, U.S.G.S., and R. N. Robey, U.S.B.M., does not support a favorable recommendation for the proposed loan.

In regard to the Sun Valley Lead-Silver Mines, Inc., DMA ~~1594X~~ 1936, a brief Field Team report in the form of a memorandum was submitted, together with the application for an access road to their mining property in Blaine County, Idaho. Copies of this memo accompanied the original application; however, included herewith is a copy of the memo for your perusal.

Since submitting the original application (DMA ~~1594X~~ 1936) Sun Valley Lead-Silver, Inc., has announced intentions of withdrawing their application for an exploration loan on the Sunday mine, Blaine County, Idaho, and instead submit an application on their Blue Kitten property also in Blaine County, Idaho. A copy of the application on the Blue Kitten, together with a brief field team report were forwarded from this office on July 31. A copy of this memo is enclosed herewith.

If we may be of further service, please advise.

Very truly yours,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

Thor H. Kiilsgaard
Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

AUG 13 1951

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

Dm 4
1936

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 7 1951

July 31, 1951

Through: Landon F. Gotel

ON-SITE RPT.

Memorandum

To: T. P. Billings, Chief, Lead-Zinc Branch

From: Field Team, Region II

Subject: Application for Exploration contract on Blue Kitten mine, Blaine County, Idaho, submitted by Sun Valley Lead-Silver, Inc.

Enclosed is an application for an exploration contract on the Blue Kitten mine, Blaine County, Idaho, submitted by Sun Valley Lead-Silver Mining Inc. Also enclosed are six unsigned copies of the Exploration Project Contract, together with appended exhibits.

Sun Valley Lead-Silver, Inc., previously submitted an application for an access road leading from a point near Ketchum, Idaho, to their mill near the mouth of Rooks Creek and beyond to their Sunday mine. They also applied for an exploration loan on their Sunday mine. Both of these applications were forwarded from this office on May 31, 1951. However, the exploration application on the Sunday mine was poorly prepared, consequently the applicant was interviewed and a revised edition of the application drawn up, which was forwarded from this office on June 18, 1951.

DMA 1594

In an interview with the applicant in July, a DMA Examination Team was advised by the applicant that Sun Valley Lead-Silver, Inc., wished to withdraw their exploration application on the Sunday mine and present instead an exploration application on the Blue Kitten mine. Sun Valley officials reasoned that the Blue Kitten property was closer to the Sun Valley mill and more accessible by the same road; also that at the time the application on the Sunday mine was presented Sun Valley Lead-Silver did not control the Blue Kitten property.

A. E. Weissenborn and Thor H. Kiilsgaard, of the Geological Survey, visited the Blue Kitten property on July 13. They found the mine workings exploring a replacement deposit of lead-zinc, and silver in a very dense and massive silicified limestone, which borders a granitic contact. The mineralized structure strikes N. 40° W., and dips about 55° S. W. Where cut

by the only underground working on the property (the upper adit), the structure is about 20 feet thick, and consists essentially of disseminated lead, zinc and silver sulphides with occasional blebs and irregular bodies of more high-grade ore. No samples were taken of the deposit for assaying. Exploration workings consist of two small open pits at the outcrop, from which some ore is reported to have been shipped, and an adit which crosscuts the vein about 80 feet below the outcrop. Two very short drifts and a crosscut have been driven from the adit (see map accompanying application).

At the time of the Examination Team's visit Sun Valley, Inc., had five men working at the Blue Kitten property. They were advancing a crosscut through the mineralized structure, and in addition were considering opening a stope off the adit level. Ore produced from these operations was trucked to the company mill for concentrating. Sun Valley officials reported the ore quite amenable to concentration and stated that a profitable operation on the Blue Kitten would ensue providing mine production could be increased. In discussing plans for production expansion, company officials pointed to a need for more drifting on the upper adit level, and the advantages to be had in exploring the structure from a lower adit to be driven 100 feet below the upper adit.

The DMA Examination Team is of the opinion that the Blue Kitten property has sufficient merit to qualify for an exploration loan. Moreover, the exploration plan advanced by the applicant is logically sound. In a comparison of the two properties on which Sun Valley Lead-Silver, Inc., has submitted applications, i.e., the Sunday and the Blue Kitten, the Blue Kitten is the more promising and geologically more feasible. It should receive primary consideration in the event an exploration contract is granted Sun Valley Lead-Silver, Inc.

The applicants are experienced mining operators who should be able to intelligently supervise the proposed exploration project.

By Field Team, Region II

A. E. Weissenborn

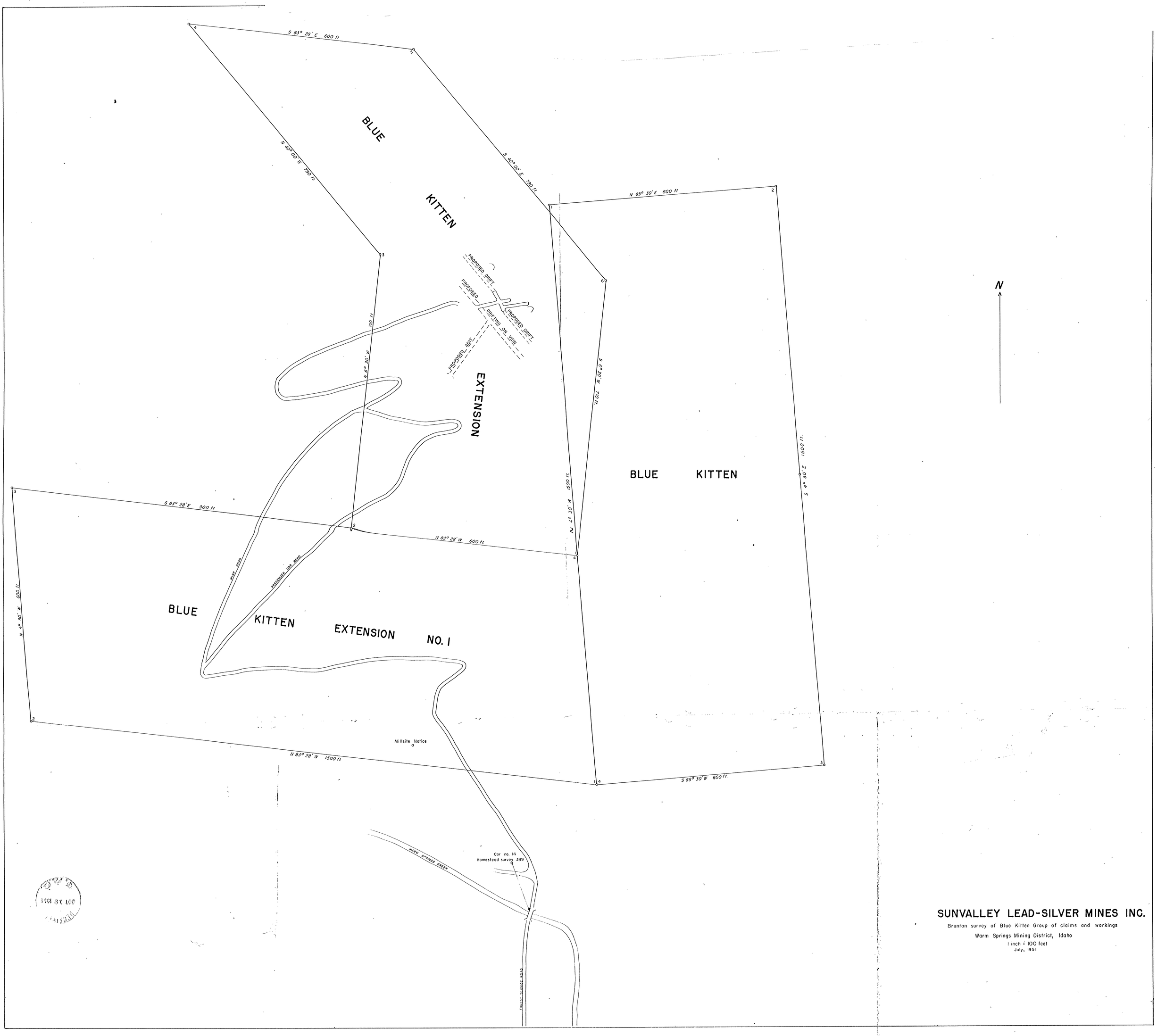
A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin

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

Enclosures

cc: L. F. Strobel
U.S.B.M. Spokane
U.S.B.M. Albany


S 83° 28' E 600 ft
N 40° 00' W 790 ft.
S 40° 00' E 790 ft.
N 85° 30' E 600 ft
BLUE
KITTEN
PROPOSED DRIFT
PROPOSED
PROPOSED DRIFT
DRIFTING ON VEIN
PROPOSED ADIT
EXTENSION
710 ft
N 6° 30' W
710 ft
S 6° 30' W
N
BLUE KITTEN
1500 ft.
N 4° 30' W
1500 ft.
S 4° 30' E
S 83° 28' E 900 ft
N 83° 28' W 600 ft.
MAIN ROAD
PASSENGER CAR ROAD
N 4° 30' W 600 ft.
BLUE
KITTEN
EXTENSION
NO. 1
Millsite Notice
N 83° 28' W 1500 ft.
S 85° 30' W 600 ft.
WARM SPRINGS CREEK
Cor. no. 14
Homestead survey 389
FOREST SERVICE ROAD
SUNVALLEY LEAD-SILVER MINES INC.
Brunton survey of Blue Kitten Group of claims and workings
Warm Springs Mining District, Idaho
1 inch = 100 feet
July, 1951

Metal Quotations
Lead 17.00c.
Zinc 17.50c
Copper 24.50c.
Silver (dom.) 90.5c.

THE WALLACE MINER

VOL. XVI. NO. 14 — THE WALLACE MINER, WALLACE, IDAHO, MAY 3, 1951. — SEVEN CENTS THE COPY

HIGHLAND & NEVADA ENCOUNTER NEW ORE

Lead - Silver Content Well Above Pine Creek Average

BOTH the Highland-Surprise and Nevada Stewart mines have new faces of milling-grade ore, Frank J. Luedke, Spokane, president of both companies, told the Miner last Saturday following the annual meeting of stockholders of the latter company here in Wallace.

The two properties adjoin each other in the Pine creek area and Nevada-Stewart ground is being opened by Highland-Surprise from the 700 level of the Surprise shaft under a development contract.

Luedke said the vein opened several weeks ago in Nevada-Stewart ground had been followed westerly for about 70 feet and the last 20 feet had been taken for ore and put through the Highland-Surprise mill.

The ore occurs in separate narrow seams of high-grade galena, vastly different from the finely-disseminated zinc-lead mixtures usually found in Pine creek properties, he said. Samples from the high-grade streaks return assays as high as 40 per cent lead, with a high silver content and very little zinc.

Over a full drift width the ore runs about 5 per cent lead and 3 ounces of silver per ton, he stated.

He estimated that an additional 90 to 100 feet of westerly drifting would be necessary to advance the face to the point beneath the best surface showings in the vein.

In the Highland-Surprise mine the west drift on the 1450-foot level has been in good high-grade lead-silver ore for the past 40 feet or more, Luedke revealed.

The mineral structure varies from one to three feet in width and averages 20 per cent lead and 18 ounces of silver per ton, with a small amount of zinc, he stated.

When contacted by tel ne yesterday, Robert D. O'Brien, ine superintendent, said the ore has now been opened for about 60 t and is still strong in the face.

The new ore, he said, might possibly be the downward extension of the Surprise No. 2 ore shoot mined on upper levels. It lines up almost perfectly on the dip angle but has come in about 100 feet sooner than expected, he stated.

Nevada-Stewart stockholders reelected all directors and the board continued all officers in their positions. They are Luedke, president; Adam J. Reinhart, Almira, Wn., vice-president; Henry C. Smith, Spokane, secretary-treasurer; Henry Connelly, Kellogg, director and Warren D. Rugg, Seattle, director.

Dominion Mine's New Ore is Wide and Rich

First assays of the new ore opened about two weeks ago in the Old Dominion mine east of Colville in Stevens county, Wash., indicate spectacular values reminiscent of the old property's early day production.

According to Earle B. Gibbs, owner of the property, values across the full 10-foot width of the vein run 98.3 ounces of silver, 12 per cent lead, 17.4 per cent zinc, .25 per cent copper and .05 ounces of gold.

The first four feet of the vein assayed 130.7 ounces of silver, 47.4 per cent lead, 12.6 per cent zinc, .15 per cent copper and .05 ounces of gold, or better than $300 per ton, he said.

The crosscut encountered a fault after passing through the vein and now appears to be coming in to a new vein, Gibbs revealed.

Easterly drifting on the 10-foot vein is about to be started, he stated.

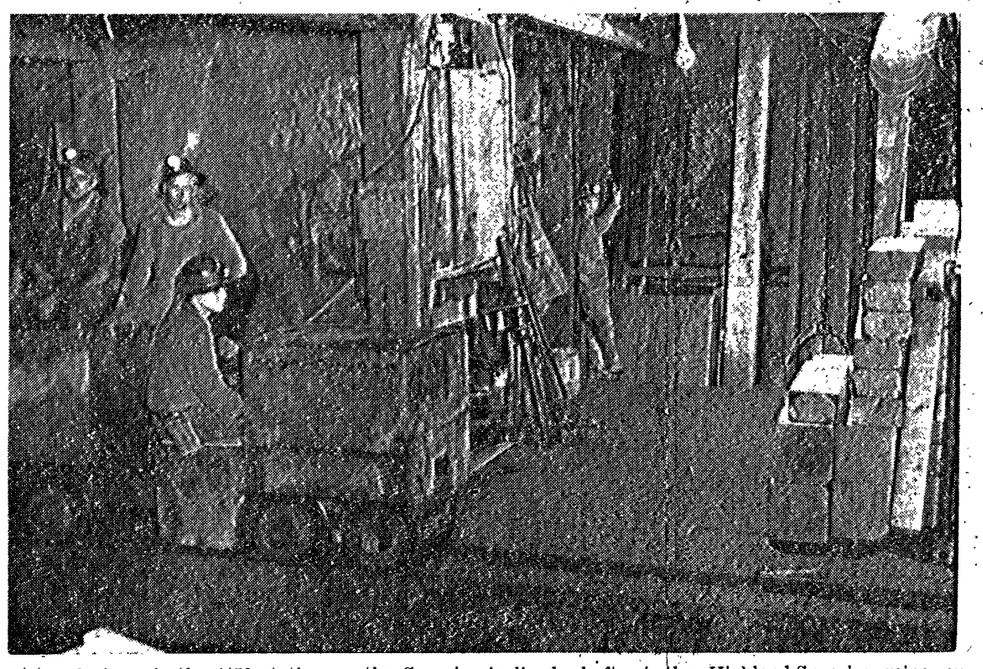
The new vein, which appears to be unrelated to the property's old bonanza ore body was encountered in a previously unexplored portion of the mine. An extension of the old Ophir tunnel, begun in 1885, to about the 1400 foot point intersected the structure at about 350 feet of depth below a promising surface showing.

Gibbs is now sole owner of the property, having bought out the interest of his partner, Ira M. Hunley, Spokane, last March. Early this year the partnership sold its Bonanza mine in the same district to Anaconda Copper Mining company for $2,000,000. They had picked up the idle Old Dominion property in 1949. It had a fabulous ore body in the early days, with values up to 1000 ounces in silver per ton.

SUNSET MINERALS CALLED

Sunset Minerals, Inc., has been listed for trading on the Spokane Stock exchange and was called for the first time yesterday, closing at 76c bid and 77c. asked. Sunset has been quoted on the Spokane over-the-counter market in the past.

UNDERGROUND AT THE HIGHLAND-SURPRISE



Pictured above is the 1150 station on the Surprise inclined shaft at the Highland-Surprise mine on Pine Creek. There are two lower levels, the 1300 and the 1450. It is from the 700 level of this shaft that Highland-Surprise is carrying on exploration of adjoining Nevada-Stewart property.

SILVER SUMMIT EYES LIQUIDATION OF DEBT

R.W.Neyman Named to Succeed Hanley as General Manager

SILVER Summit Mining company has paid off $285,000 on its indebtedness to Polaris Mining company since the first of the year and should have no trouble in paying off the balance this year, President Harry P. Pearson told stockholders at their annual meet here Tuesday.

The principal balance due Polaris has been reduced from $665,560 at the end of 1950 to $380,560 by May he stated. This balance, toget with the $140,129. in accumulated terest, can be paid out by the year end at the current rate of approximately $70,000 per month.

Announcement of the resignation of L. E. Hanley as vice-president and general manager of the company was made shortly after the director's organization meeting which followed the stockholders' meeting. Hanley has managed Silver Summit operations since 1945.

At the stockholders' meeting President Pearson paid high tribute to Hanley's management of the company, crediting to his foresight and faith in the Summit property the deep development program which cost the Polaris company over a million dollars before any ore returns were forthcoming.

Hanley is president and general manager of Polaris, which owns stock control of Silver Summit, and occupies the same position with Hecla Mining company, which controls Polaris.

Directors named R. W. Neyman, general superintendent of Hecla, to succeed Hanley in the Silver Summit company. Pearson was reelected president and L. S. Eddins retained his position as secretary-treasure

Hanley was reelected to the board of directors along with Neyman, Pe on, Eddins and George Grismer.

Pearson reported to stockhold s that development work at the m e had been resumed and that a w st drift on the 3000 level and a r se above that level were now underw y.

The west drift has been advan d about 75 feet along a vein three to

(Continued on last page)

Ambassador Mines To Resume Tunnel

Ambassador Mines corporati is planning early resumption of development work on its propert in Sanders county, Mont., northea of the Coeur d'Alene district.

President M. J Unger and Di ctor John R. Cross, both of Santa Ba ara, Calif., stopped by in Spokane last week en route to the property to onfer with E. I. Fisher, company s cretary, and to place orders for po der, track and other supplies nece ary for the resumption of work.

Unger said the lower tunnel to rd the Wanda vein was estimated t be within 100 feet of its objective w en snow conditions halted the project st winter. The vein shows good va s in gold, silver, copper and lead t the surface outcrop, he stated.

The company's 21 claims are 5 miles southwest of Trout Creek whi is on the main Northern Pacific li and 7 miles northeast of the Jac Waite mine on the Idaho-Montan border.

Metaline M&L Reports On Contact Work Costs

Sullivan Mining company's expenditures in opening Metaline Contact ground near Metaline Falls, Wn., had reached a total of $132,217 by the end of 1950, according to a recent report by Metaline Mining and Leasing company.

The work is being done through Metaline Mining and Leasing company's underground workings under terms of a 20-year lease concluded last March between the Sullivan and M. & L. companies.

The report reveals that the Mining and Leasing company now has 1293 shareholders. Its outstanding shares total 2,046,167 out of an authorized 3,000,000. Directors own 40,776 shares, or about 2 per cent of the issued stock.

The company has extensive property southwest of Metaline Falls, including the old Sterling ground on which the tunnel site is located and the old Bella May claims. It has a lease on Metaline Contact's adjoining property.

Silver Bowl Explores Bobby Anderson Group

Silver Bowl, Inc., has taken an option to lease the old Bobby Anderson property on lower Pine creek and has a surface diamond drilling program now underway, it was revealed recently.

Vivian Brothers, Kellogg drilling contractors, are doing the work under the direction of Stephen Zoldok, geologist, who is also directing development work at the Lookout Mountain property to the south.

Nancy Lee Mines, Inc., owns the Bobby Anderson group of two patented and 14 unpatented claims. About 20 years ago the Bobby Anderson Mining company mined some good grade lead-zinc ore from the property. During 1950, Al Osborne of Kellogg, shipped about 2000 tons of ore from upper workings under a lease agreement.

Bunker to Pay 50c. For Second Quarter

The Bunker Hill and Sullivan Mining and Concentrating company will pay a second-quarter dividend of 50 cents per share of common stock, totaling $654,000, on June 1 to stockholders of record May 7.

Directors of the company, meeting in San Francisco a week ago, authorized a regular 25-cent payment plus an extra dividend for the same amount, thus continuing the rate paid in the previous two quarters. In the second quarter of 1950 only the regular 25-cent payment was made.

Directors also declared a dividend of $1 and an extra dividend of $1 per share on the outstanding $10-par value preferred stock.

About 4800 shareholders, over half of which reside in the inland empire, will share in the dividend. The forthcoming payment will increase the company's total dividend payments to $70,374,912.

SHEEP CREEK REPORT

Sheep Creek Gold Mines' net profit for the nine month period ended on March 1, 1951 totaled $311,611, after deductions of $109,700 for write offs and income tax, according to recent reports from Vancouver, B. C. In the last full fiscal year ended May 30, 1950, the company had a net profit of $174,416, after allowing $98,926 for write-offs and income tax. During the nine-month period the company's Zincton and Paradise mines in B. C. yielded 1,519,599 pounds of lead, 7,212,454 pounds of zinc and 32,823 pounds of cadmium.

LOOKOUT OPENS LEAD ORE

Lookout Mountain Mining and Milling company unexpectedly opened a good lead ore showing recently in taking down back to make room for a downward diamond drilling program, according to reports. A raise to explore the showing further is now underway. The diamond drilling is being continued. One hole has been completed and the results are des- [illegible] by officials.

Bullion Company Sets Levy to Clear Debts

Directors of the Bullion Mining company, Ltd., meeting here last week, levied an assessment of two and one-half mills per share to take care of tax expense and other indebtedness which has accumulated during the several recent years when there has been no work done on the property on the Idaho-Montana border.

In a letter to stockholders accompanying the notice of assessment, C. L. Wickward, secretary of the company, calls attention to an extensive program to develop a large area north and west of the Bullion, referring to the recently-announced agreement under which Hecla, Newmont and New Jersey Zinc mining companies have undertaken to explore at depth the Atlas property southeast of Mullan.

This development will be of great importance to the entire area in this southeast part of the district, Wickward tells stockholders.

Payment of the assessment is due by May 31 and the sale of delinquent stock is scheduled for June 30.

The Bullion property consists of 16 patented claims on Bullion creek in the St. Joe district. It is developed by three tunnels and a total of 12,080 feet of underground work. It is a copper-gold property.

BIG EXPANSION SEEN IN METALINE-SALMO

New Milling Facilities Will Double Area's Output Capacity

MINERAL production from the huge mining area of northeastern Washington and southeastern British Columbia will soon be doubled and not even a guess can be made rding what further expansion result from the vast amount of exploration and development work currently underway, C. Lambly, general superintendent of d Oreille Mines and Metals company of Metaline Falls, Wn., told Spokane mining men at their weekly luncheon meeting last Monday.

Current milling facilities permit a daily production of approximately 3,500 tons daily, he said. The five mills now operating are: Pend Oreille's east and west plants totaling 1300 tons daily; Reeves-MacDonald mill at Remac, B. C., 1000 tons daily; Grandview mill at Metaline Falls, Wn, 700 tons daily; and the Canadian Exploration plant near Salmo, B. C., 500 tons daily.

Now under construction, or in the planning stage, are the following facilities which will almost double present daily capacity ;a 1600-ton expansion of Pend Oreille's east mill; a 1000-ton plant at Cominco's H. B. property at Salmo, B. C.; a 300-ton addition to Canadian Exploration's plant; and Emerald Tungsten's 300-ton mill, also near Salmo.

Completion of these additional plants will increase the annual out- (Continued on last page)

HECLA LEASES EAST SILVER BELT CLAIMS

Deal Includes Option To Purchase Within 10-year Period

EAST Silver Belt Lead Mines, Inc., last Tuesday concluded with Hecla Mining company a lease and option agreement looking toward the exploration and development of the company's extensive property southwest of Mullan.

The action was approved by stockholders of the East Silver Belt company at their annual meeting Tuesday evening. All of the 1,567,771 shares of stock represented in person and by proxy at the meeting were cast in favor of the agreement. There are 1,800,000 shares outstanding.

Under the agreement Hecla is granted a 10-year lease to explore and develop the East Silver Belt property and to mine any ore bodies opened by the work, paying to the East Silver Belt company a 10 per cent royalty.

It also grants to Hecla an option to purchase a nine-tenths undivided interest in the property for $150,000 at any time within the 10-year period. Royalty payments may be applied on the purchase price to the extent of $125,000, the balance to be paid in cash.

The entire cost of any development work is to be borne by the Hecla company until such time as the purchase option has been exercised. After that the East Silver Belt company must bear its proportionate share of expenses, but only out of production income.

The agreement is an outgrowth of the deal which Hecla and two eastern associates, Newmont Mining company and New Jersey Zinc company, negotiated recently with Atlas Mining company for deep development of that company's property which adjoins East Silver Belt on the northeast.

Under its terms Hecla may assign interests its partners in the Atlas venture.

Time or beginning was set at January 1, 1953 in the East Silver Belt agreeme ar enough in advance to permit completion of a substantial part of the Atlas development and contemplating possible use of these openings for the exploration program.

Hecla may relinquish the lease on 30 day notice, except that if assessment work for a year must be done before July 1 the notice must be given by at least March 1.

The East Silver Belt property consists of 67 unpatented claims in the Hunter mining district. It lies west of the Atlas and extends westerly to the Rock Creek group which is 95 per cent owned by Hecla. The Moe group adjoins it on the north.

It is approximately a mile wide from north to south and extends for two miles east and west along the wide zone of altered formation, which, in the west end of the silver belt, from the Sunshine mine to the new Vulcan development, has been found to be extremely receptive host rock for rich silver-lead mineralization.

President R. E. Sorenson told the stockholders at the meeting that last year's development work had disclosed an interesting area in the north end of the property. Trenching, diamond drilling and bull-dozing of new roads has exposed several mineralized structures containing barite, pyrite and siderite, he reported.

Stockholders reelected Sorenson, E. F. Enbom, H. E. Harper and C. H. Foreman, all of Wallace, to the board of directors and named Chas. E. Horning, Wallace attorney, to fill the vacancy created by the resignation of Gordon Peck.

The board of directors continued all officers in their positions for another year. They are Sorenson, president; Foreman, vice-president and Enbom, secretary-treasurer.

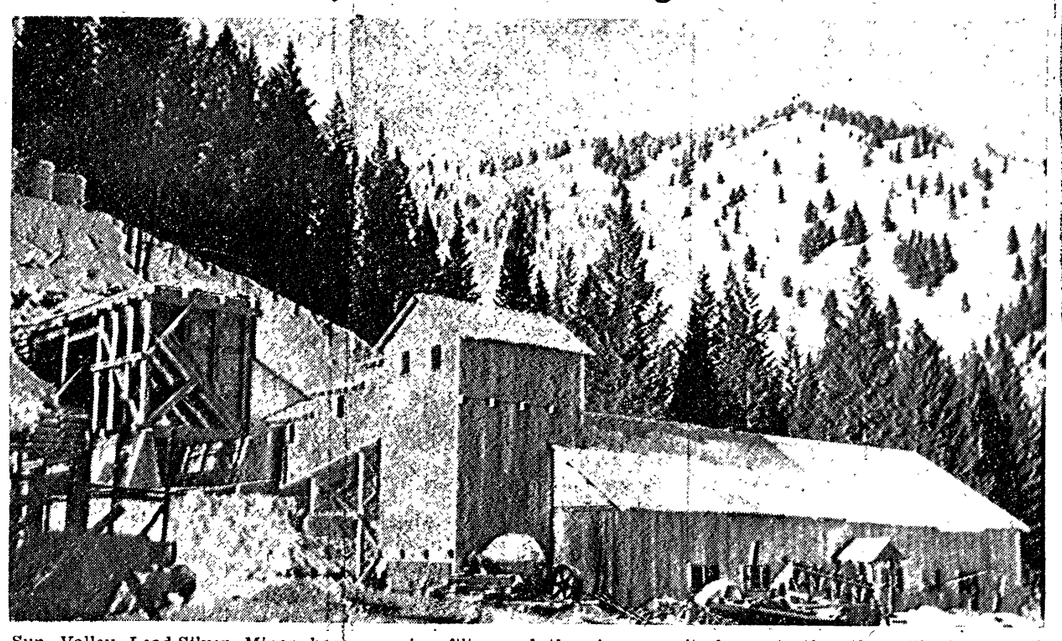
DAY MINES OFFICERS

Day Mines, Inc., reelected all officers at the meeting of directors which followed the annual meeting of stockholders last week. They are Henry L. Day, president; F. M. Rothrock, vice-president; Paul B. Jessup, vice-president and comptroller; S. F. Heitfeld, secretary and treasurer; and R. W. Anno, assistant secretary and treasurer. Last week we reported in error that Howard C. Paulsen, Spokane, had been reelected to the board of directors. He was elected to the position for the first time at that meeting, succeeding his brother C. I. Paulsen, also of Spokane.

CONTROLS LIFTED

Price controls were lifted from sales of tungsten ores and raw mica this week. Tungsten producers now have a guaranteed "floor" of $63 per ton unit of 20 pounds on newly discovered ore and "excess" production at no ceiling. The ceiling has been $[illegible] per ton.

Sun Valley Mill Now Running Three Shifts



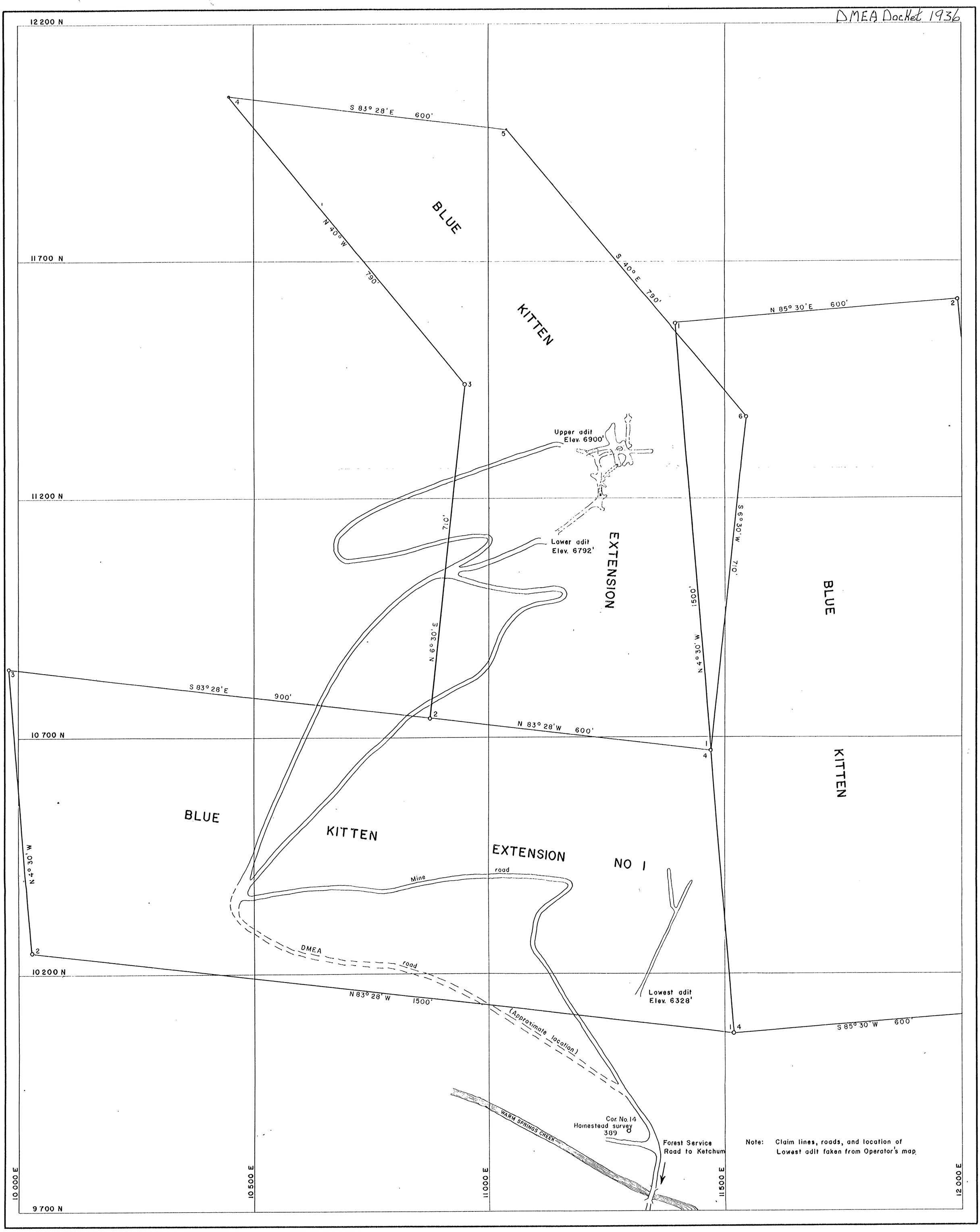
Sun Valley Lead-Silver Mines has put its new 100-ton mill near Ketchum, Idaho on a full-time basis with the recent addition of a third shift and is at present producing from dump ores a lead-silver-gold concentration running as high as 40.8 per cent lead, 75.7 ounces of silver and $9.25 in gold per ton, the Miner was informed this week.

The company has experienced some difficulty in obtaining delivery of a new zinc filter and the zinc curcuit has not been in operation. This unit has finally arrived and zinc concentrates will soon be produced, it was stated.

In addition to completing the new mill started last August, the company has, during the past winter, put in a six-mile electric power line, completing it in January. Heavy snows and the frozen condition of the ore stockpile prevented the company from starting the mill at an earlier date.

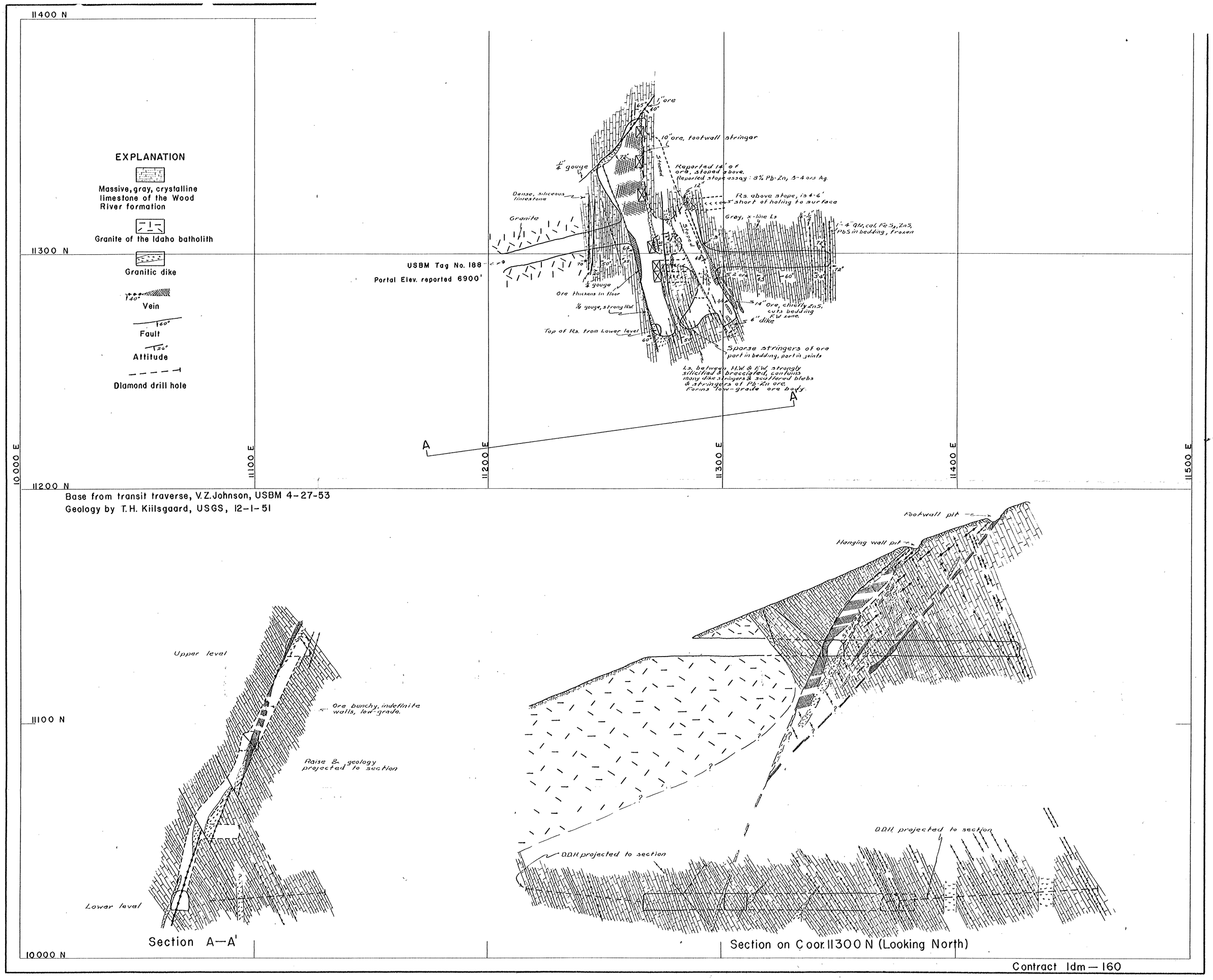
The Sun Valley company's principal property consists of the 12 unpatented claims of the New Hope group in the Warm Springs district of Blaine county. It also has 7 patented and 20 unpatented claims of the Sunday mine group. The dump ores now being milled are from the Sunday mine, which is estimated to have about 200,000 tons of milling ore.

DMEA Docket 1936



MINE WORKINGS & CLAIM MAP
BLUE KITTEN MINE
BLAINE COUNTY, IDAHO

1" = 100'

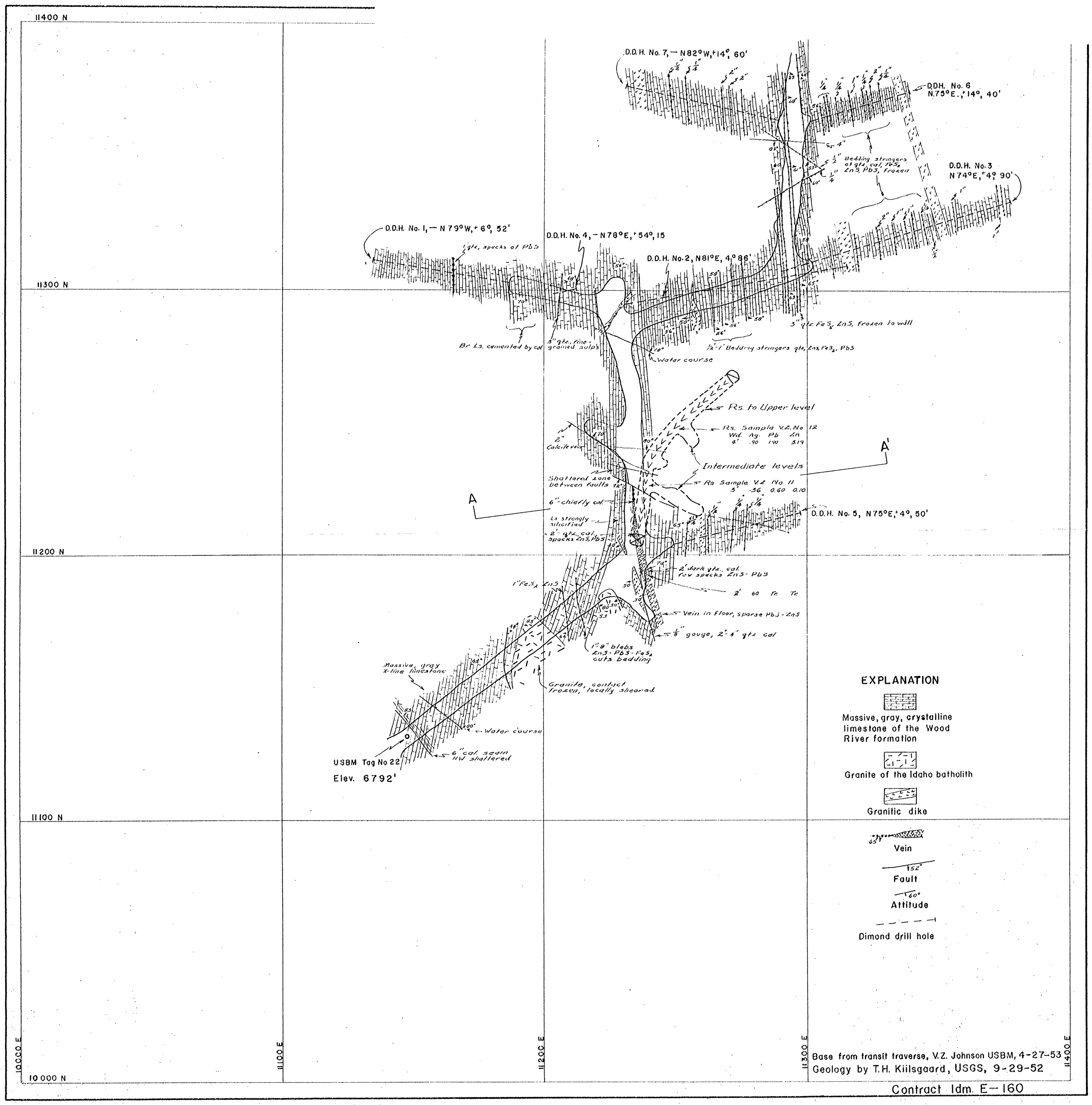


GEOLOGIC MAP & SECTIONS, UPPER LEVEL

BLUE KITTEN MINE

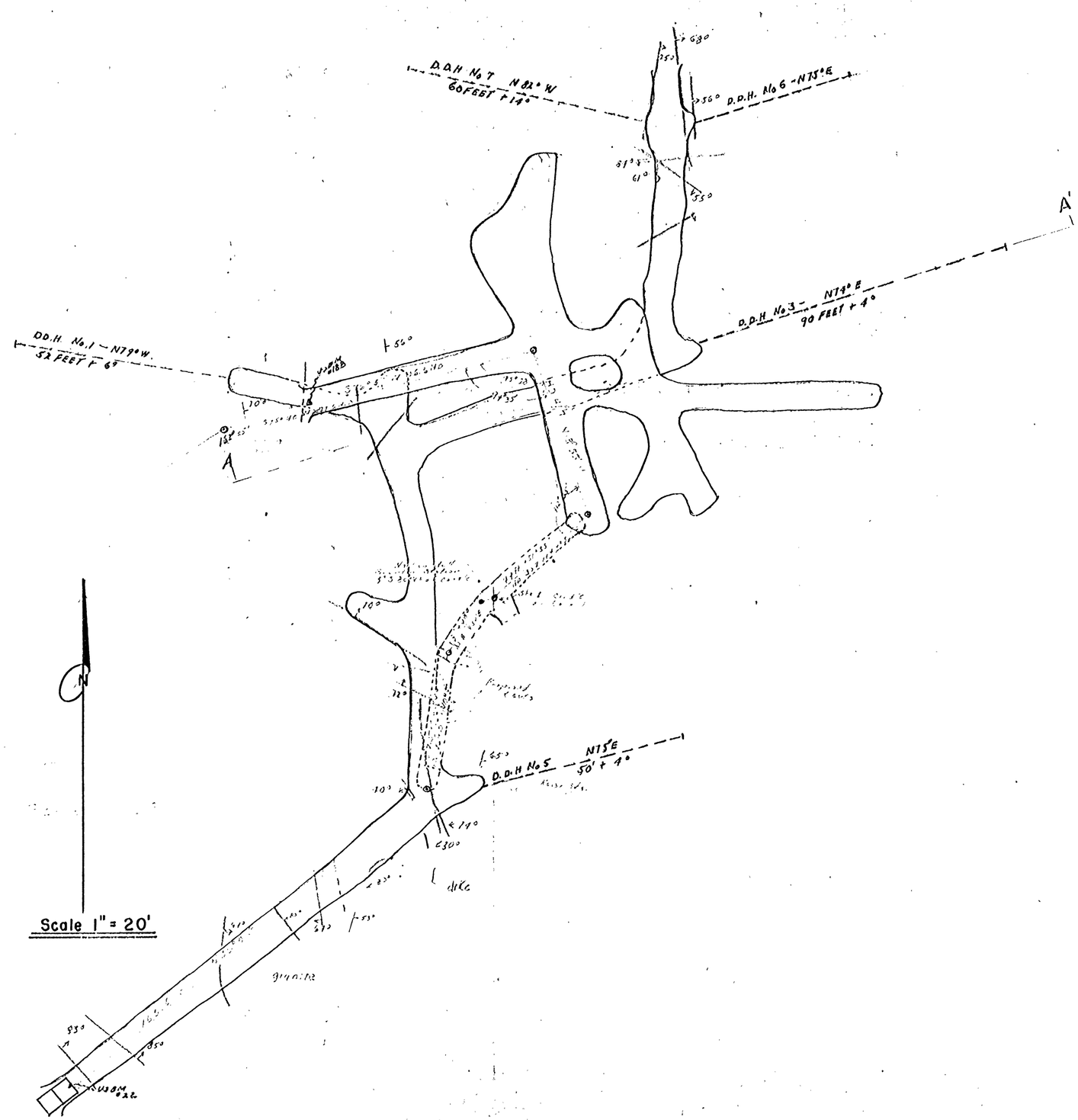
BLAINE COUNTY, IDAHO

1" = 20'



GEOLOGIC MAP, LOWER LEVEL
BLUE KITTEN MINE
BLAINE COUNTY, IDAHO
1" = 20'

U. S. Department of the Interior.



Closed traverse by V.Z. Johnson — with adjustments of previous mapping. 4-27-'53.

BLUE KITTEN MINE — BLAINE COUNTY, IDAHO. — SUN VALLEY LEAD-SILVER MINES, Inc. Docket No. 1936 (Pb, Zn) Contract No. Idm.E-160