

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: UGGPO 0000771

File Owner: N. Eades

File Location: DOI - SOL, WASH DC

Document Date: _____

Document Title: Exploration Project of Sunrise Silver-head Corporation

Document Author: _____

Original Document Attached: Y N

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

Type of Privilege:

ACC

WP

CBI

DP

PI

Other

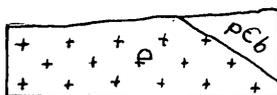
Reviewer: _____

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

SUNRISE SILVER-LEAD CORPORATION
Exploration Project

The Sunrise Silver-Lead Corporation proposes to drive a 3,000 foot + X-cut to intersect the Ambergris, Guelph, and C & R (Sunset) vein structures. The tunnel has been started and was initially driven S. 62 E. on a reportedly weak structure for 20 odd feet. This structure is closely aligned with the projection of the Hercules vein. The direction of the tunnel was then turned to a N. 81 E. bearing * (see R. J. Horsman map) and reportedly lengthened to 165 feet before operations were discontinued.

Approximately 1,600 feet or more of monzonite would be traversed by the tunnel before sedimentary rocks would be reached. The projection of the Ambergris structure would intersect the proposed crosscut at approximately 1,250 to 1,400 feet. Here roughly $\frac{4}{5}$ of the allowable 1,000 foot mining limits would include monzonite. Inspection of the Ambergris drift on the Hercules No. 4



Section along projected Ambergris structure
(within mining limits)

1 inch = 1,000 feet

* W. H. Simons' map which accompanies the application shows a bearing of N. 72 E. for the proposed crosscut.

level showed that the vein weakened and mineralization discontinued westward towards the monzonite although the structure persisted into the monzonite. A composite map by W. H. Simons shows that other levels of the Ambergris terminate within the monzonite, logically because the mineralization discontinued.

Nothing is known of the Guelph structure in regard to position or mineralization.

There is undoubtedly a strong structure cropping out on the C & R group of claims. However, it appears to be weakening at depth as seen in the C & R No. 3. Mineralization, as well as the structure, was very weak here, at least where observed. Nothing is know of the mineralization of the C & R No. 2. Julius Hall in the report submitted by W. H. Simons writes of the C & R No. 1 that "above this tunnel the outcrop is stronger than at any other point in these three properties." The C & R No. 1 was caved and probably still is.

The apophysis of monzonite on the west slope of Granite Gulch can be expected to widen and connect with the stock at probably not too great a depth; this could limit the mineralization downward.

The C & R vein dips about 75° to the southwest. It would appear that the easiest way to test this structure would be to back off a few hundred feet southward from the outcrop and drill a series of north-dipping holes to the vein at depth down to the limit of drilling. A spread of holes along the vein would not only test it but might also outline the monzonite. If such drilling indicates no peninsula of monzonite at depth, further drilling exploration could be done from the Hercules No. 4. If one or the other sets or both or none showed the vein to contain ore, the line of action would be determined.

The proposed 3,000 foot crosscut is justified by the Sunset Corporation on the grounds of accessibility and because it should cross the Ambergris and Guelph structures. The Ambergris has been tested to the monzonite. The Guelph never produced as far as can be ascertained. The crosscut would in effect be testing the mineralization in the monzonite-- a poor bet. The accessibility of the portal site is worthless if there is no ore at the end of the crosscut.

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGSP0 0000771

File Owner: N. Eades

File Location: DOI - SOL, WASH DC

Document Date: 11/2/51

Document Title: letter re: DMA-2113 Sumuse Silver-head

Document Author: N. E. Weissenborn Corp. Shoshone
County Idaho

Original Document Attached: Y N

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

Type of Privilege:

ACC WP CBI DP PI Other

Reviewer: _____

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGGPO 0000771

File Owner: N. Eades

File Location: DOI - SOL, WASH DC

Document Date: 12/20/51

Document Title: letter re: Hercules No. 4

Document Author: G. M. Crosby

Original Document Attached: Y N

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

Type of Privilege:

ACC

WP

CBI

DP

PI

Other

Reviewer: _____

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: UGGPO 0000771

File Owner: N. Eades

File Location: DOI - SOL, WASH DC

Document Date: 9/28/51

Document Title: Letter re: exploration loan application

Document Author: T. Killgaard A. Weisenborn submitted by Sunrise Silver-lead Corporation of Spokane

Original Document Attached: Y N

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

Type of Privilege:

ACC

WP

CBI

DP

PI

Other

Reviewer: _____

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

September 28, 1951

Mr. H. Warren Hobbs
Box 837
Mullan, Idaho

Dear Warren:

Enclosed is a copy of an exploration loan application submitted by Sunrise Silver-Lead Corporation of Spokane. The application was forwarded to Washington a few days ago, and this copy was retained to expedite a field examination. The applicants presented the application directly to this office and were interviewed by Elton Youngberg who, incidentally, informs me that if further information on the property or the application is desired, that you contact Mr. Mike Savage at the mine.

Would you please look this property over at your convenience and take whatever action you deem necessary.

Very truly yours,


Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure

H. W. Hobbs

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GENERAL TECHNICAL DATA

NOT TO BE FILLED IN BY APPLICANT

FOR USE UNDER THE

Docket No. _____

DEFENSE PRODUCTION ACT OF 1950

Date received _____

SUNRISE SILVER-LEAD CORPORATION

223 ROOKERY BUILDING

SPOKANE 1, WASHINGTON

Name and
address of
applicant

Date September 24, 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) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (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 CAN-NOT 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? **Lead, silver and zinc**
- (b) What are the byproducts, if any? **None**

2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry(ies), workings operation(s). Include old names of property, if any. Show extent of workings, including the following:

- (a) Linear feet of shafts. **None, only prospect shafts.**
- (b) Linear feet of drifts and crosscuts. **300 feet**
- (c) Linear feet of tunnels or adits. **3,000 feet**
- (d) Linear feet of other mine openings (explain briefly). **See engineer's report. Mine not flooded.**

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. **Good transportation to Wallace, Idaho.**
- (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. **We are running tunnel**

(b) Are you operating this property as: **now**

- Owner. **We have options and leases on property (see attached exhibits)**
- Lessee. **We hold options and leases on property (see attached exhibits)**
- Contractor. **We are our own contractor**

5. Number of years in production **All development work so far- production should begin at the**

If not in production or operation, estimated date when production will begin **first vein - 1200 feet.**

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. **Mike Savage is managing development - has had vast experience in mining in this district.**

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. **See reports and other data submitted.**
- (b) State briefly the known history and production of adjoining and neighboring properties. **Hercules, Sunset, etc.**
- (c) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. **See reports and**

data submitted

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		LIFE INSURANCE CARRIED FOR BENEFIT OF APPLICANT	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
Stanley Evans	President	No Salary	\$20,000	200,000	None	\$5,000	No loans 15 yr. Pol.
Ed L. White	Vice-President	No Salary	\$50,000	9,000	None	Substantial	
Ralph Gering	Sec. Treas.	No Salary	\$100,000	7,000	None	Substantial	
Additional five large stockholders							
Paul Hoefel			Substantial	4,000	None	Substantial	
Wayne Bailey			Substantial	6,000	None	Substantial	
Dr. Galen Rogers			Substantial	6,000	None	Substantial	
Emmet Shawgo			Substantial	5,000	None	Substantial	
TOTAL			Over \$50,000 X X X X X			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	\$ 175,000	About \$ 31,000	\$ 175,000	620,000	None (New Co.)
Preferred stock	\$ None	\$ None	\$ None	None	None

*Indicate period covered.

10. Production: No Production yet

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.)		Only for sampling			
2. Quantity of product processed (specify unit of measure and type of process)		Only for sampling			
3. Quantity and grade of product sold or shipped (specify units of measure)		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. Not producing yet

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. See exhibits attached.

(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)-----	No production yet				
Indicated (probable)-----					

(c) If placer: **Not 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: **Excellent accessibility to Wallace, Idaho.**

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

14. Water Supply: **Sufficient water supply - all year**

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. **Source - Washington Water Power Company - 75 horse power electric motor, just installed. Do not know exact rate per hour yet.**

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period. **Will use two crews - eight hours per day - regular Coeur d'Alene District wages.**

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. **Complete 75 horse power electric motor; 360 cu. ft. compressor; modern blacksmith shop; air lines; rails pick-up truck - living quarters - all ample to do job contemplated - installed this year.**

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

Nothing special - just a good decent operation
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.

SUNRISE SILVER-LEAD CORPORATION
(Name of company)

By 
(Signature of authorized official)

September 24, 1951
(Date)

President.
(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.

LETTER OF TRANSMITTAL

Wallace, Idaho
March 15, 1951

TO - The Directors
Sunrise Silver-Lead Corporation
Spokane, Washington.

Gentlemen:

I am submitting herewith, a brief report on the St. James, C & R and Phoenix Groups in the Beaver Mining District of Shoshone County, Idaho; together with my opinion of the proposed development program.

This report is accompanied by a map showing the salient features therein.

In a report of this kind it is always well to know the sources and reliability of the information contained therein and due credit should be given to those, whose work preceded my own.

Professional paper #62 U.S.G.S. by F. L. Ransome and F. C. Calkins is the standard work outlining the Geology of the Coeur d'Alene District and is the basis for the Geology in all reports of this type in this District. This has been supplemented by U.S.G. Bulletin #732, Geology and Ore Deposits of Shoshone County, Idaho by J. B. Umpleby. For a more technical discussion of the Ore Occurrences in this District, the reader is referred to these standard works.

I have also been fortunate in having access to reports made on these properties by Mr. Julius P. Hall, now deceased, who was a well known Mining Engineer, long familiar with the problems of the Coeur d'Alene and a man of recognized ability and integrity.

My own experience in the Coeur d'Alene District extends over a period of twenty-five years. It was my good fortune to be with the Day Organisation and to become intimately acquainted with the surrounding operations as well as with the territory under discussion. I have drawn heavily on my past experience underground as an engineer and operator in this district, supplemented by surface work, in drawing conclusions and making recommendations on this project.

Hoping that this report gives you the data you need, I am

Sincerely yours

WM. H. SIMONS

Mining Engineer

SUMMARY

After a thorough study of the data available on the St. James, C. & R. and Phoenix Groups, I recommend the expenditure of the necessary funds for their exploration through the proposed low level crosscut tunnel, because of the following favorable conditions.

- A: Geologically it has all of the structural elements necessary to create an ore body, as shown by the experiences in the other near by producing Mines of this District.
- B: It has a definite vein system, containing values in silver lead and zinc.
- C: Its proximity to producing Mines, whose vein systems apparently extend into this property.
- D: The present workings are so situated that considerable advantage can be derived from work done in the past and the Location, Timber, Water, and other advantages such as Highways, Power Lines, Smelters and Custom Mills make possible Economical Mining.
- E. The handling of this development will be in the hands of men who are thoroughly capable of handling all phases of a project of this magnitude.

Signed by WM. H. SIMONS

Mining Engineer

REPORT

PROPERTY:

This property consists of the St. James group of two patented claims, the C. & R. group of ten patented claims and the Phoenix group of twelve unpatented claims.

LOCATION:

These properties are located on the North Side of the Divide that extends South East from Sunset Peak, in the Beaver Mining District, Shoshone County, Idaho.

The Sunset Mine on Sunset Peak is about one-half mile to the Northwest and the Ambergris Mine is about one-fourth mile to the Southwest.

The properties lie on the Cedar Creek watershed.

GENERAL MINING FACILITIES:

These properties lie in the Heart of the Coeur d'Alene District, which is noted for the completeness of its facilities for economic mining.

Electric power is available in whatever quantities are necessary and has been brought to the portal of the proposed tunnel and a transformer station installed.

A road has been built from the Interstate Callahan Mine, a distance of one and one-half miles. From there, first class highways are available throughout the district.

Railway facilities are available with a loading station at Bonn, some four miles by road from the portal of the proposed tunnel.

Smelting facilities are available at the Bunker Hill and Sullivan Smelter and Electrolitic Zinc Plants at Kellogg, a distance of about twenty miles from the property, and other Smelting Plants throughout the Northwest can be reached by rail.

Numerous supply companies, serving the large Mines of the District have headquarters in Wallace and Kellogg, so that mining equipment and supplies are available out of their stocks.

Within trucking distance, are several Mills that will accept ore for milling at reasonable rates on a custom basis. This is a decided advantage to a property in the process of development, between the time they start the mining of their ore bodies and the time when they have sufficient ore reserves blocked out to warrant the construction of their own milling facilities.

GENERAL MINING FACILITIES: continued

Being in the heart of a well established mining district the supply of available skilled labor is of particular importance to an operation of this character.

The property has already had installed at the portal of the proposed crosscut tunnel a Bunkhouse, Compressor House, 75 H.P. 360 ~~cubic~~ cubic ft. Compressor, fully equipped Blacksmith Shop and has on hand a substantial quantity of pipe and rails and mining equipment.

There is sufficient Timber and Water available on the property for a fair size operation.

GENERAL GEOLOGY:

There is no object in describing the general Geology of the Coeur d'Alenes in a report of this kind. This has been fully covered in the U.S.G.S. Professional Paper #62 by F. L. Ransome and F. C. Calkins supplemented by Bulletin #732 of the U.S.G.S. and J. B. Umpleby, and reference is made to these reports-

It is sufficient to say that, in the Belt Series, as described by these aforementioned Authorities, the main producers of the more than a Billion Dollars of the ore that has been produced in the Coeur d'Alenes, has been developed within range of the structure between the upper Prichard and the Wallace formations as outlined therein.

Such famous long life Mines as the Morning, Hecla, Star, Hercules, Sherman, Tamarack and Custer, Standard-Mammoth, Dayrock, Sunshine Bunker Hill and Sullivan and numerous others have been developed within this zone. These structures are recognized in the Coeur d'Alenes as the Host Rock for the mineral deposits of this District.

The Monzonites, which have been intruded into these structures are recognized as the origin of the Thermal Solutions that were the sources of the mineralization which resulted in these Ore Depositions.

It is noteworthy that such famous producers as the Tamarack and Custer, Sherman, Hercules, Ambergris, Interstate Callahan, Success, Sunset and several others occur within a short distance of the perimeter of the Monzonite batholith which is exposed on the west end of the property under discussion and whose outline is shown by the dotted line on the accompanying map.

The prevailing formation east of the Monzonite is known as the Burke Quartzite.

VEINS, ORE BODIES and PRESENT DEVELOPMENT:

At least one main vein structure crosses this property. This vein has been traced for several miles northwest of the property and on it have been opened up such important ore bodies as the Silver Tip and the Sunset.

Entering the property on the northwest side, it strikes S. 50 E. and dips slightly to the south cutting the formations for a distance of approximately 7000 feet within the properties under discussion.

The outcroppings and underground exposures show the vein to be up to 20 feet in width and well mineralized with black oxide of iron and a fair showing of galena and sphalerite.

This vein has been opened up by numerous surface cuts and in at least four places by tunnels but insufficient lateral drifting has been done in each case to open up the vein for exploration purposes.

This work was all done from the Cedar Creek side which makes transportation difficult and operating expensive, particularly in the winter time.

PROPOSED EXPLORATION:

It is proposed to drive a tunnel from the East Fork of Nine Mile Creek. This tunnel will cut the vein at about 3000 feet and about 500 feet below the outcropping on the C. & R. group which is the strongest showing opened up on the property.

PROPOSED EXPLORATION: CONTINUED

This tunnel will make possible a year around and a much more economical operation than could be obtained from the Cedar Creek side. This is good mining practice.

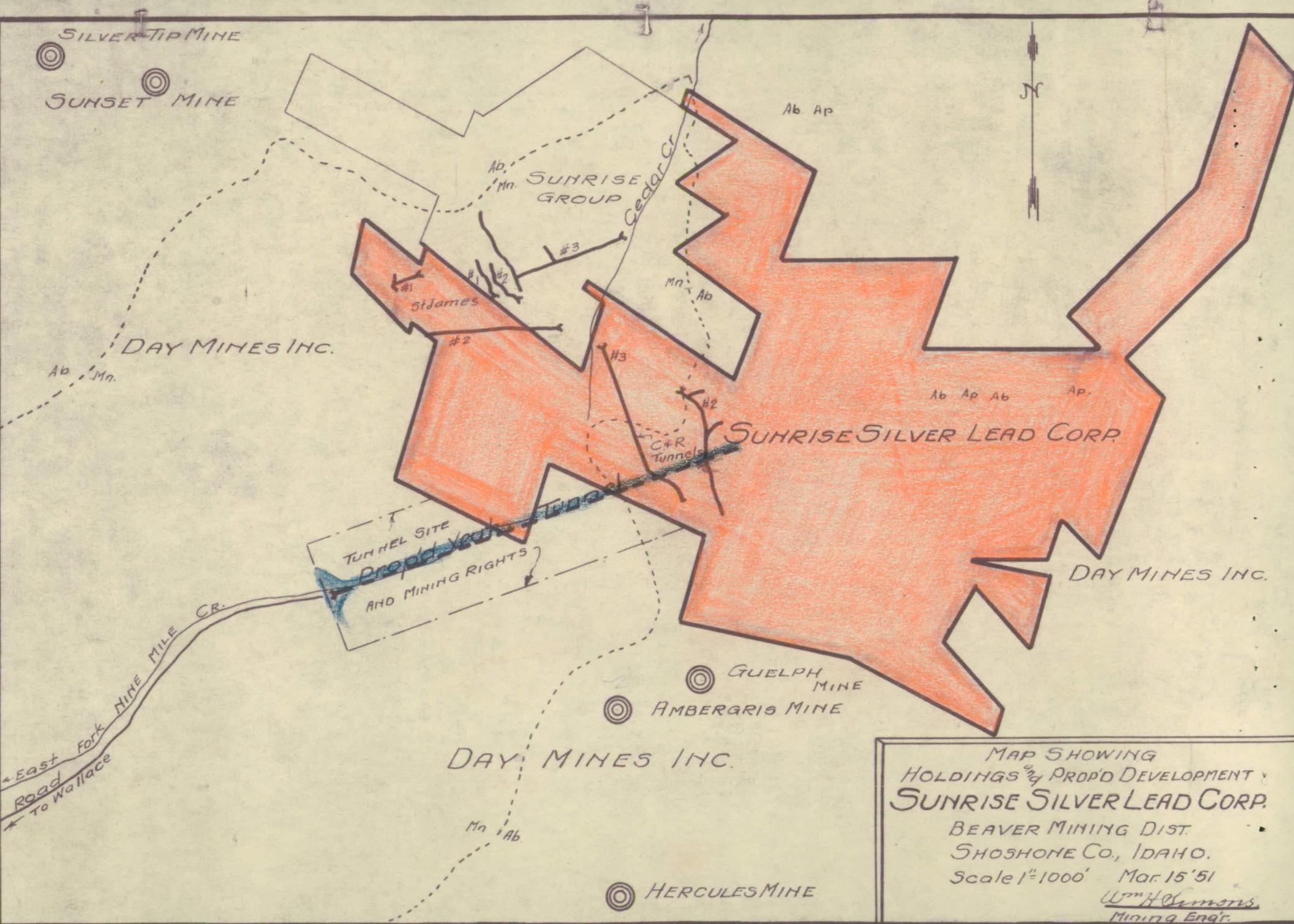
To carry out this program an easement for the tunnel together with mining rights for 500 feet each side of the tunnel, from the tunnel level to the surface, was obtained from the Day Mines, Incorporated.

CONCLUSIONS:

I believe that the cost of developing this vein both laterly and at depth is fully warranted and under present circumstances the proposed method is the proper one to employ.

WM. H. SIMONS

Wallace, Idaho
March 15, 1951



MAP SHOWING
 HOLDINGS ^{and} PROP'D DEVELOPMENT
SUNRISE SILVER LEAD CORP.
 BEAVER MINING DIST.
 SHOSHONE CO., IDAHO.
 Scale 1"=1000' Mar. 15 '51
Wm H. Simons
 Mining Engr.

- - - PRELIMINARY REPORT - - -

C. & R., PHOENIX and ST. JAMES PROPERTIES

TO WHOM IT MAY CONCERN:

Complying with the request of Mr. E. C. Outlaw, Secretary of the Boundary Consolidated Mining Company, I herewith submit the following preliminary report which is written from examinations made at different times during the past several years.

LOCATION:

These three properties are located north of the divide which extends easterly from Sunset Peak (Elev. 6424) Beaver Mining District, Shoshone County, Idaho.

The Sunset Mine (Owned by the estate of Ex-Senator Clark of Montana) is about nine miles northeast of Wallace by wagon road. From there it is one-half by trail to the St. James and C.& R. tunnels. The properties may also be reached by about one mile of trail from the Cedar Creek property.

TITLE AND CLAIMS:

The St. James consists of two claims held by the U.S. patent. The Phoenix and C.& R. consists of twenty some odd claims held by location under the mining laws of the United States.

TOPOGRAPHY:

The portals of the St. James and C.& R. lower tunnels are at the head of Cedar Creek, 3000 feet southeasterly and 1280 feet below Sunset Peak. The St. James tunnel extends westerly and the C.& R. tunnel southeasterly. Cedar Creek flows northerly along the west end line of the Phoenix property. The northwest corner of the Phoenix is approximately 2000 feet below Sunset Peak and extends southeasterly to at least 1500 feet above this point.

TIMBER AND WATER SUPPLY:

On these properties is sufficient good Mine timber to last for years. On Cedar Creek near the northwest corner of the Phoenix, water power for one or two air drills could be developed.

GEOLOGY:

The prevailing formation is what is locally known as the Burke quartzite with intrusions, on these and the adjoining properties, of Monzonite (Granite).

GEOLOGY: CONTINUED

The quartzite shows intense metamorphism, due to the intrusion of Monzonite.

The intrusions of igneous rock are of interest as having probably been concerned in the original ore deposition.

VEIN CHARACTERISTICS AND DEVELOPMENT:

Passing through Sunset Peak and cutting the formation, is an ore bearing fissure extending in a southeasterly direction through the St. James across the southwest corner of the Phoenix and for the full length of the C. & R. ~~approximately~~ approximately 7,000 feet along the apex or outcrop in these properties. Dip slightly south and strike N.50'E. Width from 2 to 20 feet. Along the outcrop the vein filling is altered quartzite impregnated, in place, with monzonite (granite). The mineral is chiefly black oxide of iron with a fair showing of galena (lead with silver content) and spalerite (zinc blend). North and South faulting with no great displacement of the vein is noted in several places from Sunset Peak southeast.

In the No 1 St. James tunnel, at a depth of 90 feet, the vein is 12 feet wide with a good showing of lead, silver and zinc ore.

The time of my last visit, several years ago, the No. 1 C. & R. tunnel was caved. Above this tunnel the outcrop is stronger than at any other point in these three properties.

In the C. & R. No. 2 tunnel I was unable to reach the vein because of bad air. In the No. 3 tunnel the vein had not been reached at the time of my examination, but from the slips and the appearance of the rock, it should be only a short distance ahead.

Both the No. 2 and No. 3 C. & R. tunnels are started on Phoenix ground.

I understand that farther north a parallel vein shows on the Phoenix property. I have made no examination of this vein.

ADJOINING PROPERTIES:

The Sunset or Clark property to the northwest of the St. James on the same vein. In this property from the 1000 ft. level (1700 ft. below Sunset Peak) to the surface, I stated in a recent report that there was 91,700 tons of partly blacked out ore that would assay 3.7 oz. silver. 11.7% zinc and 7.1% lead. I figured a net profit of \$8.68 per ton or a total of \$795,956.00 net profit on this ore. I did not consider the 500,000 tons of possible ore above this level. This estimate was made after a personal examination several years ago and from a

study of the assay maps furnished me by the Clark-Montana Realty Company.

Down Cedar Creek and adjoining the Phoenix on the north, the Cedar Creek property has been under development for several years. This Company recently completed a 150 ton Mill and a few days ago began hauling concentrates to the railroad at Eagle.

To the south of the C. & R. the Guelph has been undergoing development for some time. To the south of the Guelph the Ambergris, owned by the Hercules Company, has been developed and mined from the lower levels of the Hercules. The Hercules workings enter the hill from Burke. This property, owned by the Days, has been one of the famous dividend payers of the Coeur d'Alene District.

South of the St. James and Sunset are the holdings of the Callahan Company. The lower workings of this company enter from the Nine Mile Canyon side of the hill. This property has been another famous dividend payer.

FUTURE DEVELOPMENT:

In considering this feature for the St. James, C. & R., and Phoenix properties, there are several possibilities that will require considerable study before deciding on the proper method of development. Some of these possibilities also depend on what arrangement may be made with the adjoining properties.

The vein may be cut 182 ft. below the 1000 ft. level of the Sunset property by driving a 4700 ft. crosscut from the No. 4 tunnel of the Callahan. This would give an outlet to the Callahan Mill at the portal of No. 4 tunnel. The Mill is connected by aerial tram to the railroad in Nine Mile Canyon.

Another possibility is through the Hummingbird tunnel of the Hercules Company. This tunnel enters the hill from Burke and extends in to the Ambergris Property. A 2000 ft. crosscut to the northeast should cut the vein at much greater depth than would a crosscut from the Callahan No. 4 tunnel.

Another possibility is by a 3400 ft. crosscut ~~from the point of the~~ southwesterly from the northwest corner of the Phoenix property. A crosscut from this point would cut the vein at a higher elevation than from the Callahan No. 4.

The vein may also be further developed from the No. 3 C. & R. tunnel at from 400 to 700 feet below the surface.

CONCLUSIONS:

The St. James, C. & R. and Phoenix properties are traversed for some 7000 feet by a strong fissure vein development of which shows commercial ore in several places.

Under no better blow-out than that on the C. & R. the Sunset Property to the northwest and on the same vein, has ore partly blocked out that should net not less than \$500,000.00. This is only a small item as compared to the possible profits that may be derived from the further development of this vein.

I believe that the cost of developing this vein at great depth in these properties is fully justified and will net a real profit on the investment.

Respectfully submitted,

JULIUS P. HALL

Mining Engineer

Wallace, Idaho

May 17, 1928

Wallace, Idaho
May 1, 1951

Mr. W. J. Naugh, President
Sunrise Silver-Lead Corporation
Bus Terminal Building
Spokane, Washington

Dear Mr. Naugh:

Phoenix Mining & Milling Co., Idaho

This letter is written for the purpose of clearly outlining the terms and conditions of an agreement under which the Sunrise corporation may acquire the Phoenix group of 12 unpatented claims.

1. I will undertake immediately to have the Phoenix company re-instated under the laws of the State of Idaho, and new directors and officers elected so that the corporation is legally in a position to do business.
2. When this task is completed, as majority shareholder, I will have the Phoenix company give the Sunrise Corporation an option to purchase the 12 unpatented Phoenix claims on or before September 1, 1953, for \$25,000, cash.
3. Your company is to meet the expenses as they occur or have occurred of reinstating, auditing the financial books and stock records, and the costs of levying a small assessment and related expenditures estimated at \$500 to \$600.
4. This will acknowledge receipt of your check for \$200 which is the reinstatement fee for the Phoenix company that must be paid immediately to the Secretary of State.
5. Your company agrees to perform the assessment work and file Proofs of Labor on the 12 unpatented claims during each of the fiscal years ending July 1, 1951; July 1, 1952; and July 1, 1953.

An extra copy of this letter is enclosed. If you will kindly sign, date, and return one copy of this letter to me, I will proceed immediately with the program outlined heretofore.

Very truly yours

s/s WALTER G. EMMERY

Accepted and agreed to:

Sunrise Silver-Lead Corporation

By W. J. Naugh
President

May 1, 1951

Wallace, Idaho
August 5, 1950

Mr. W. L. Savage, Manager
Sunrise Silver-Lead Company
Scrubs Hotel
Wallace, Idaho.

Dear Mr. Savage:

Phoenix Mining & Milling Co.

This letter is written for the purpose of clearly outlining the terms and conditions of an agreement under which the Sunrise company may acquire the Phoenix group of 12 unpatented claims.

1. I will undertake immediately to have the Phoenix corporation reinstated under the laws of the State of Idaho, and new directors and officers elected so that the corporation is legally in a position to do business.
2. When this task is completed, as majority shareholder, I will have the Phoenix company give the Sunrise corporation an option to purchase the 12 unpatented Phoenix claims on or before September 1, 1953, for \$25,000, cash.
3. Your Company is to meet the expenses as they occur or have occurred of reinstating, auditing the financial books and stock records, and the costs of levying a small assessment and related expenditures estimated at \$500 to \$600.
4. This will acknowledge receipt of your check for \$203 which is the reinstatement fee for the Phoenix company that must be paid immediately to the Secretary of State.
5. Your Company agrees to perform the assessment work and file proper Proof of Labor for the fiscal year ending July 1, 1950, on or before October 1, 1950; and also to perform the assessment work and file Proofs of Labor on the 12 unpatented claims during each of the fiscal years ending July 1, 1951; July 1, 1952; and July 1, 1953.

An extra copy of this letter is enclosed. If you will kindly sign, date, and return one copy of this letter to me, I will proceed immediately with the program outlined heretofore.

Very truly yours,

c/s HARRY G. HULLY

Accepted and agreed to:

Sunrise Silver-Lead Company

By s/s W. L. Savage
Manager

August 5th, 1950.

ROBERT F. DAVIS
Lawyer
Wallace, Idaho.

June 1, 1951

H. J. Naught, President,
Sunrise Silver-Lead Corporation,
The Terminal Building,
Spokane, Washington.

Dear Sirs:

The following is a list of the unpatented mining claims
of the Phoenix Mining & Milling Company, Ltd., situated in
Coeur d'Alene Mining District:

Phoenix,
Phoenix No. 1,
Phoenix No. 2,
Phoenix No. 3,
Phoenix No. 4,
Phoenix No. 5,

Agnes,
Oregon,
Hazlock,
Edna,
Iona,
Phoenix Fraction.

Yours very truly,

s/ Robert F. Davis
Attorney for Phoenix Mining & Milling
Company, Ltd.

RED:KAE

THIS INDENTURE made this 1st day of May, A. D. 1951, between C. & R. MINING COMPANY, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSOR, and SUNRISE SILVER-LEAD CORPORATION, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSEE,

WITNESSETH:

That the said Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by said Lessee to be kept and performed, has granted, devised and let, and by these presents does grant, devise and let unto said Lessee all the following described mining property located in Beaver and Summit Mining Districts, Shoshone County, Idaho, to-wit:

ALL those portions of any vein or veins discovered in the C. & R. group of mining claims to a depth of 200 feet below the level of the tunnel to be driven by Lessee at an elevation of 5,250 feet and also all those portions of any vein or veins discovered in said group of mining claims above the level of the said tunnel or adit to be driven by said Lessee, which said group consists of the following:

JUNE, U.S.M.S. #3069; KREB HILL, U.S.M.S. #2933;
SUMMIT, U.S.M.S. #2933; CAPTAIN CASH, U.S. M.S. #2105;
NAPOLEON, U.S.M.S. #2105; SIDWELL FRACTION, U.S.M.S.
#2105, BOTHA, U.S.M.S. #2105; CRATER FRACTION, U.S.M.S.
#3070; and RUSSELL FRACTION, U.S.M.S. #3070;
C. & R., U.S.M.S. #2105.

TO HAVE AND TO HOLD unto said Lessee for a period of twenty (20) years after the date of this lease. If said Lessee shall operate said property and premises under the terms of this lease, after its expiration, by and with the consent of the Lessor, either party may terminate this lease by giving twenty (20) days' written notice of intention to terminate the same. Such notice may be served upon anyone of the officers of the Lessee or upon the manager of the Lessor, or it may be deposited properly addressed to the party to receive same in the United States Post Office, postage prepaid, and the time of final termination of this lease shall begin to run with the date of the notice so served. This lease may be sooner forfeited or terminated through the violation of any covenant hereinafter against said Lessee or Tenant reserved.

In consideration of said devise Lessee does covenant and agree with the Lessor as follows, to-wit:

1. That the Lessee herein is an independent contractor and there shall be no privity of contract between the Lessor and employees or sublessees of the Lessee. All such employees or sub-lessees, whether on a wage or profit-sharing basis, shall be selected by the Lessee, hired by Lessee, directed by Lessee and paid by Lessee, and that subject only to the specific limitations herein set out, Lessee shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

2. That during the term of this lease or any extension thereof, the Lessee shall cause the leased premises to be worked with reasonable diligence; and by the term "reasonable diligence" as used herein, the parties agree that six hundred (600) shifts of work per twelve months period during the term hereof shall constitute prima facie evidence of such reasonable diligence; which said work requirement shall be performed outside the boundaries of the premises herein leased, until the crosscut

to be driven by Lessee has been extended into said leased premises at which time said required work shall be performed within the premises herein leased; that Lessee will perform all work in said demised premises in miner-like manner and in accordance with the mining laws of the State of Idaho and such rules and regulations as have been or may be issued by the Industrial Accident Board of Idaho or the State Mines Inspector. All openings shall be maintained in accordance with the standards established by such rules and regulations and shall be kept thoroughly drained and clear of loose rock and rubbish and obstruction, unless prevented by extraordinary mining casualties.

3. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased.

4. That the Lessee will, at its own expense, carry Workman's Compensation Insurance and Occupational Disease Compensation Insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho in aid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessor with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workman's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Lessor the evidence of the compliance with said law and the payment of premiums due on such policies.

5. That the Lessee will pay any loss or expense resulting from any shipment of ores the proceeds of which are not sufficient to meet all freight, smelter or other costs or charges in connection therewith.

6. That there is reserved to the Company the right to enter upon the leased property for the purpose of inspection of the work, of surveying, sampling and checking upon compliance with the safety rules and regulations.

7. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by Lessee under lease from the Lessor, and that the Lessee and not the Lessor is liable for all labor performed and supplies and other material used by Lessee in and upon the demised premises, and that the Lessee and not the Lessor shall be responsible for all debts and expenses incurred in the mining operations in or upon the demised premises.

8. That the Lessee will hold the Lessor harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessor 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, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee or otherwise, and to defend the Lessor at its own cost and expense from such liability or asserted liability.

9. That the Lessee will not assign or sublet this lease, or any interest therein, or the premises affected thereby, or any portion thereof, without the written consent of Lessor, nor allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

10. That as further consideration for this agreement the Lessor shall have permission, and is herewith granted permission by the Lessee to use a crosscut or tunnel to be constructed by said Lessee together with the tracks, trolley wires, air pipe, and all fixtures and equipment situate in said tunnel so long as Lessor's use does not interfere with the operation of the Lessee.

11. That all ores won from the demised premises by said Lessee shall be shipped in the name of the Lessor to the smelter or smelters offering the best terms. The Lessor shall deduct as royalty $12\frac{1}{2}$ per cent of the net smelter returns plus $12\frac{1}{2}$ per cent of any subsidies and/or premiums paid by any Federal Agency for copper, silver, lead and zinc production. The Lessor shall pay to said Lessee eighty-seven and one-half ($87\frac{1}{2}$) per cent of the net smelter returns of all ores shipped, calculated as hereinbefore stated, and eighty-seven and one-half ($87\frac{1}{2}$) per cent of any premiums paid by any Federal Agency for copper, lead, silver and zinc production.

The net smelter returns are defined as the smelter schedule per dry ton for concentrates or crude ore, less smelter treatment charges and penalties, transportation of such concentrates or crude ore by truck or railroad to the reduction plant, control assaying and sampling charges.

12. That the Lessee will furnish at its own cost all labor, all operating supplies and equipment required in doing said work.

13. That upon violation of any of the covenants or agreements of this lease by Lessee, the term of this lease shall, at the option of Lessor, terminate and expire, and the lease and leasehold rights of the Lessee in the premises shall be forfeited, if such default or violation shall continue at the expiration of thirty (30) days next after Lessor shall have given to Lessee written notice of such violation or default, and demand for possession of the leased premises because thereof, Lessee being given said thirty days' time to overcome the cause of such forfeiture by full compliance with the violation violated covenant or agreement, and if such cause be not so overcome at the expiration of said thirty days' time, without further demand or notice, Lessor, by its agents or attorneys, may enter upon the leased premises and dispossess all persons occupying the same.

14. That all operations shall be conducted in a safe and prudent manner, and it is agreed that should any dispute arise between the Lessor and Lessee regarding the conduct of operations in a safe and prudent manner, such dispute shall be determined by the Lessor and the judgment of the Lessor prevail.

15. That no officer or employee of Lessor shall be interested in or participate in the profits derived from this lease.

16. That this lease applies only to ore bodies, veins, or ledges within the property owned by or controlled by the Lessor, and in no event or circumstance shall the Lessor be held liable if Lessee's operations continue beyond the outside boundaries of the leased property herein described.

17. This lease shall be binding upon and issue to the benefit of the successors and assigns of Lessor, and the successors and assigns of Lessee.

IN WITNESS WHEREOF, the Lessor has caused these presents to be signed by its Vice-President and Secretary, and the Lessee has caused these presents to be signed by its President and Secretary the day and year first above written.

ATTEST:

Secretary

ATTEST:

LARRY L. LINCOLN
Secretary

C. & R. MINING COMPANY

By F. M. ROTHROCK
Vice-President
LESSOR

SUNRISE SILVER-LEAD CORPORATION

By H. J. WAUGH
President

LESSEE

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 1951, by and between Ray H. Kingsbury, of Wallace, Idaho, the party of the first part, and H. J. Waugh, of Spokane, Washington, the party of the second part:

WITNESSETH: that whereas the party of the first part is the owner by tax deed of the Ula and Try Me patented lode mining claims and desires to sell the same, and the party of the second part desires to buy these claims:

NOW THEREFORE, the party of the first part, the vendor, agrees to sell to the party of the second part, the purchaser, and the purchaser agrees to purchase of said vendor, upon the terms and conditions hereinafter set forth, the said Ula and Try Me patented mining claims together with the appurtenances, except as further provided herein.

The purchase price agreed upon is 25,000 shares of the capital stock of the Sunrise Silver-Lead Corporation, an Idaho corporation, and the sum of \$10,000.00, payable as follows:

\$2,500.00 cash, on or before September 1, 1951.
1,500.00 cash, on or before March 1, 1952.
3,000.00 cash, on or before September 1, 1952.
3,000.00 cash, on or before March 1, 1953.

all payments to be made to the vendor at 510 Bank Street, Wallace, Idaho, and to be by him credited upon the purchase price.

There is reserved and excluded from this agreement for a limit of five years from date hereof all merchantable timber upon the two patented mining claims, the said timber to be retained and removed at the pleasure of the party of the first part within this period, and the party of the first part shall have the right and privilege of using or making access roads to remove the timber. It is understood that the roads shall be made with discretion and judgment so as not to interfere with mining work on the property.

Purchaser shall have possession of the property, except as noted, upon the execution of this contract, and shall continue in such possession as long as the terms of this agreement are fully complied with.

Time is the essence of this agreement, and should the purchaser fail to make the payments and to deliver the said 25,000 shares of stock by the time of the second payment, or to keep and perform any of the covenants and agreements herein mentioned, the same shall constitute a forfeiture of this agreement, and thereupon the vendor, at his option, may declare such forfeiture by written notice to purchaser, and at the expiration of thirty days, the terms of this agreement meanwhile not having been complied with, the purchaser agrees to peacefully vacate and the vendor may enter into said premises and take possession of them, and this agreement shall be at an end and null and void, and purchaser shall forfeit to vendor as liquidated damages all payments made hereunder, and immediately surrender possession of the premises.

Any failure of vendor to declare a forfeiture at any time upon violation of any of the terms of this contract by the purchaser shall be deemed only an indulgence by vendor for that particular time and shall not be construed to be a waiver of any rights of vendor specified herein. Any notice, demand or communication to be given by either party to this contract by the other party shall be in writing and may be transmitted to the other party by registered mail, addressed to vendor at Wallace, Idaho, and to the purchaser at Bus Terminal Building, First and Jefferson Sts., Spokane, Washington, or may be personally served on either party hereto, provided that either party may change their place of address by notice to the other party as provided.

Vendor agrees to furnish to purchaser, at or before the time of making the second payment hereunder on March 1, 1952, an abstract of title to said property, certified to date, showing title in vendor, free from incumbrance, it being understood however, that for the purpose of this instrument the following shall not be considered as encumbrances: reservations in any United States patent, easements for roadways, telephone lines or electric power transmission lines.

The twenty-five thousand shares of stock named as part of the consideration or purchase price shall not be issued until September 1, 1952, in order that the purchaser may control the same until that time so that it may not come in competition with efforts to finance work by the sale of stock, and upon completion of payment of the purchase price, vendor agrees to make a good and sufficient deed, conveying all his tax title, and to execute and deliver the same to purchaser or his assigns, conveying said mining claims to purchaser or his assigns free and clear from all encumbrances and having affixed thereto the requisite United States revenue stamps.

Purchaser shall have the right, while this agreement is in force, and effect, to work and operate at his discretion and to such extent and in such manner as they may deem proper the mining properties aforesaid, provided, however, that all work carried on by them shall be done in a good and workmanlike manner and at their sole cost and expense. They shall fully pay and discharge all obligations they may incur for labor, materials, or otherwise in the prosecution of work so carried on, and shall save and protect vendor free and harmless from any and all claims, demands and liens for labor and material that may be furnished for or on request of purchaser during the life of this contract or that may be used in the prosecution of the work so carried on.

Purchaser agrees to post and keep posted in a conspicuous place on said premises a notice satisfactory to vendor and in accordance with the laws of the State of Idaho, to the effect that vendor and said property shall not be liable for any debts incurred or obligations created by purchaser in the prosecution of work upon the same under this agreement.

Purchaser shall have the right to mine, mill and ship any ores that may be extracted or removed from the aforesaid mining claims during the life of this agreement upon paying a royalty of 1% of the net smelter returns on said ores, together with 1% of all bonuses, premiums or incentives paid by the government on said ores, to the extent same are allowed by governmental rules and regulations; all remittances therefor to be made to Roy H. Kingsbury, at 510 Bank Street, Wallace, Idaho, on or before the 15th day of each month next following the receipt by purchaser of smelter check for the settlement for ores so shipped, and to be credited on purchase price due under this agreement and applied to the next installment due hereunder. Duplicate copies of all settlement sheets for any and all ores sold to be sent to said vendor, Roy H. Kingsbury, at Wallace.

Purchaser agrees to pay all taxes levied and assessed against said property for the current year and for all ensuing years while this agreement is in force and effect.

It is understood that this lease shall be assigned to Sunrise Silver-Lead Corporation, and in fact is taken for their benefit.

The vendor, or his representative, shall have the right at all reasonable times to inspect the workings in which operations may be carried on pursuant to this agreement, or any other workings on said property, and shall also have the right at all reasonable times to inspect any maps, assay plans, drill cores, and all metallurgical or other records relating to exploratory or development work carried on by purchaser within the property of vendor.

Purchaser agrees to carry compensation insurance upon his employees under the Idaho Workmen's Compensation Law, and otherwise in all respects hold vendor harmless from all liability while said property is being worked and developed by them or their assigns during the life of this agreement. Purchaser further agrees to comply with all Federal and State laws relating to social security, unemployment and old age insurance, wages and hours, and all other statutes, both Federal and State, affecting the operation of said property and conditions of employment of all persons in the employ of purchaser.

Upon termination of this agreement by forfeiture or otherwise, purchaser or their assigns shall pay and discharge all debts and obligations incurred in any operations hereunder, and shall relinquish to vendor said mining properties free and clear of all liens and incumbrances arising from such operations.

In the event of termination of this contract by forfeiture or otherwise, all track, air pipe and fan pipe placed upon said property by purchaser and which shall be actually installed and in place underground, and all buildings on the surface, shall be considered part of said premises and shall become the property of vendor. All tools, pipe, machinery and equipment placed upon said property by purchaser and installed upon the surface thereof, and all machinery and equipment installed underground, unless otherwise specified, shall remain the property of purchaser, and they shall have the right to remove same within sixty days after the receipt of written notice of forfeiture or termination of this contract.

Each of the foregoing covenants and agreements of this contract shall extend to and endure to the benefit of the successors and assigns of purchaser, and the heirs, personal representative and assigns of vendor.

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

s/s ROY H. KINGSBURY
Vendor

s/s H. J. WAUGH
Purchasers.

STATE OF IDAHO)
County of Shoshone) ss.

On this 1st day of June, 1951, before me, a Notary Public, personally appeared Roy H. Kingsbury, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

MARGARET SCHELINE
NOTARY PUBLIC in and for the
State of Idaho, residing at Wallace.

STATE OF IDAHO)
County of Shoshone) ss.

On this 1st day of June, 1951, before me a Notary Public, personally appeared H. J. Waugh, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

MARGARET SCHELINE
NOTARY PUBLIC in and for the State
of Idaho, residing at Wallace.

THIS INDENTURE made this 1st day of May, A. D., 1951, between DAY MINES, INC., a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSOR, and SUNRISE SILVER-LEAD CORPORATION, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSEE, WITNESSETH:

That the said Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by said Lessee to be kept and performed, has granted, demise and let, and by these presents does grant, demise and let unto said Lessee all the following described mining property located in Placer Center Mining District, Shoshone County, Idaho, to-wit:

FIVE HUNDRED (500) FEET on either side of the crosscut or tunnel to be constructed by the Lessee measured at right angles from the center thereof, to depth of 200 feet below the said tunnel level and from the said tunnel level to the surface, said tunnel being more particularly described in that certain easement and right of way agreement executed this date between the parties hereto and by reference made a part hereof, said tunnel to run in, under and through the Little Chief, U.S.M.S. #1903, AJAX U.S.M.S. #2138, ANACONDA U.S.M.S. #1902, WATERLOO U.S.M.S. #2769, WELLINGTON U.S.M.S. #2137 and GOOFY JACK lode mining claims.

TO HAVE AND TO HOLD unto said Lessee for a period of twenty (20) years after the date of this lease. If said Lessee shall operate said property and premises under the terms of this lease, after its expiration, by and with the consent of the Lessor, either party may terminate this lease by giving twenty (20) days written notice of intention to terminate the same. Such notice may be served upon anyone of the officers of the Lessee or upon the manager of the Lessor, or it may be deposited properly addressed to the party to receive same in the United States Post Office, postage prepaid, and the time of final termination of this lease shall begin to run with the date of the notice so served. This lease may be sooner forfeited or terminated through the violation of any covenant hereinafter against said Lessee or Tenant reserved.

In consideration of said demise Lessee does covenant and agree with the Lessor as follows, to-wit:

1. That the Lessee herein is an independent contractor and there shall be no privity of contract between the Lessor and employees or sub-lessees of the Lessee. All such employees or sub-lessees, whether on a wage or profit-sharing basis, shall be selected by the Lessee, hired by Lessee, directed by Lessee and paid by Lessee, and that subject only to the specific limitations herein set out; Lessee shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

2. That during the term of this lease or any extension thereof, the Lessee shall cause the leased premises to be worked with reasonable diligence and by the term reasonable diligence, as used herein, the parties agree that the work requirements to be performed by Lessee in accordance with the terms of that certain lease executed by the said SUNRISE SILVER-LEAD CORPORATION, as Lessee, and the C. & R. Mining Company, an Idaho corporation, as Lessor, on the 1st day of May, 1951, wherein the said SUNRISE SILVER-LEAD CORPORATION leased any vein or veins discovered in the C. & R. group of mining claims to a depth of 200 feet below the level of the crosscut to be driven by Lessee at an elevation of 5,250 feet and also vein or veins above the level of the said crosscut or tunnel shall constitute prima facie evidence of such reasonable diligence; that Lessee will perform all work in said demise premises in miner-like manner and in accordance

with the mining laws of the State of Idaho and such rules and regulations as have been or may be issued by Industrial Accident Board of Idaho or the State Mines Inspector. All openings shall be maintained in accordance with the standards established by such rules and regulations and shall be kept thoroughly drained and clear of loose rock and rubbish and obstruction, unless prevented by extraordinary mining casualties.

3. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased.

4. That the Lessee will, at its own expense, carry Workmen's Compensation insurance and Occupational Disease Compensation insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho in aid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessor with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workmen's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Lessor the evidence of the compliance with said law and the payment of premiums due on such policies.

5. That the Lessee will pay any loss or expense resulting from any shipment of ores the proceeds of which are not sufficient to meet all freight, smelter or other costs or charges in connection therewith.

6. That there is reserved to the Company the right to enter upon the leased property for the purpose of inspection of the work, of surveying, sampling and checking upon compliance with the safety rules and regulations.

7. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by Lessee under lease from the Lessor, and that the Lessee and not the Lessor is liable for all labor performed and supplies and other material used by Lessee in and upon the demised premises, and that the Lessee and not the Lessor shall be responsible for all debts and expenses incurred in the mining operations in or upon the demised premises.

8. That the Lessee will hold the Lessor harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessor 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, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee or otherwise, and to defend the Lessor at its own cost and expense from such liability or asserted liability.

9. That the Lessee will not assign or sublet this lease, or any interest therein, or the premises affected thereby, or any portion thereof, without the written consent of Lessor, nor allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

10. That as further consideration for this agreement the Lessor shall have permission, and is herewith granted permission by the Lessee to use a crosscut or tunnel to be constructed by said Lessee together with the tracks, trolley wires, air pipe, and all fixtures and equipment situated in said tunnel so long as Lessor's use does not interfere with the operation of the Lessee.

THIS INDENTURE made and entered into this 1st day of May, 1951, between DAY MINES, INC., an Idaho Corporation having its registered office and principal place of business at Wallace, Shoshone County, Idaho, hereinafter called the Party of the First Part, and SUNRISE SILVER-LEAD CORPORATION, an Idaho Corporation having its registered office at Wallace, Idaho, hereinafter called the Party of the Second Part,

WITNESSETH:

WHEREAS, Party of the First Part is the owner of certain patented mining claims situated in Placer Center Mining District, Shoshone County, Idaho; and

WHEREAS, Party of the Second Part desires to secure a right-of-way and easement for an access road to the LITTLE CHIEF lode Mining Claim, U.S.M.S. #1903, the property of the Party of the First Part; and,

WHEREAS, party of the Second Part in addition desires to secure an easement for purposes of driving a tunnel in, through and under premises hereinafter more particularly described, the property of the Party of the First Part; and,

WHEREAS, Party of the First Part is willing to grant an easement and right-of-way for the purposes aforesaid for a period of twenty (20) years.

NOW, THEREFORE, in consideration of the sum of ONE (\$1.00) DOLLAR, lawful money of the United States to it in hand paid and for other good and valuable consideration passing between the parties hereto, the existence of which is hereby admitted, and in consideration of the performance by the Party of the Second Part of the covenants and agreements hereinafter set forth, the Party of the First Part hereby grants to the Party of the Second Part an easement and right-of-way for a period of twenty (20) years from the date hereof for a right-of-way road more particularly described as follows, to-wit:

Beginning at a point on the Interstate Mine road a distance of approximately 100 feet South of the Northerly side line of the Bessie Lode Mining Claim, U.S.M.S. #2567, thence in a Northeasterly direction on the East side of the East Fork of Nine Mile Creek over and across the Nellie, U.S.M.S. #2567, the Illinois, U.S.M.S. #2567, Iowa, U.S.M.S. #2567, Chandler, U.S.M.S. #2567, Globe, U.S.M.S. #2567, Giant, U.S.M.S. #2567, Atlas, U.S.M.S. #1904, Burgmaster, U.S.M.S. #2018, Grace, U.S.M.S. #2567, Central, U.S.M.S. #2297, and Little Chief, U.S.M.S. #1903 lode mining claims:

ALSO and easement and right-of-way for tunnel purposes over and across, under, in and through the Little Chief, U.S.M.S. #1903, Ajax, U.S.M.S. #2138, Anaconda, U.S.M.S. #1902, Waterloo, U.S.M.S. #2769, Wellington, U.S.M.S. #2137, and Goofy Jack as shown by dotted line on sketch hereto attached, marked Exhibit A and made a part hereof by reference.

As a further consideration for the granting of said easements and rights-of-way the Party of the Second Part does hereby covenant and agree as follows:

That the Party of the First Part shall have joint use of the tunnel or crosscut to be driven and constructed by said Party of the Second Part together with the tracks, trolley wires, air pipe and all fixtures and equipment situated in said tunnel, or crosscut, so long as use by the Party of the First Part does not interfere with the operations of the Party of the Second Part,

In the event the Party of the Second Part neglects to keep the covenants and agreements to be by it performed according to the terms of that certain lease executed by the Party of the Second Part as Lessee and the C. & R. Mining Company, and Idaho Corporation, as Lessor on the 1st day of May, 1951, wherein the said Party of the Second Part leased any vein or veins discovered in the C. & R. group of mining claims above the level of the crosscut to be driven

by Lessee at an elevation of 5,246 feet the easements and rights-of-way granted herein shall be extinguished and terminated.

IN WITNESS WHEREOF the Parties hereto have caused these presents to be executed in duplicate the day and year first above written.

DAY MINES, INC.

By s/s F. M. ROTHROCK
Vice-President

ATTEST:

s/s S. H. Heitfeld
Secretary

PARTY OF THE FIRST PART

SUNRISE SILVER-LEAD CORPORATION

By s/s H. J. Waugh
President

ATTEST:

Larry L. Lincoln
Secretary

PARTY OF THE SECOND PART

STATE OF IDAHO }
County of Shoshone } ss.

On this 1st day of May, 1951, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared F. M. ROTHROCK, personally known to me to be the Vice-President of DAY MINES, INC., and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal at my office in Wallace, Idaho, the day and year in this certificate first above written.

s/s KATHRYN A. EICKWALD
NOTARY PUBLIC in and for the State
of Idaho, residing at Wallace.

STATE OF WASHINGTON }
County of Spokane } ss.

On this 1st day of May, 1951, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared H. J. WAUGH, personally known to me to be the President of SUNRISE SILVER-LEAD CORPORATION, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal at my office in Spokane, Washington, the day and year in this certificate first above written.

s/s LARRY L. LINCOLN
NOTARY PUBLIC in and for the State of
Washington, residing at Spokane.

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: UGGPO 0000771

File Owner: N. Eades

File Location: DOI - SOL, WASH DC

Document Date: 11/24/51

Document Title: letter re: Mike Savage project in the

Document Author: D. Horsman Sunset Peak area

Original Document Attached: Y N

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

Type of Privilege:

ACC

WP

CBI

DP

PI

Other

Reviewer: _____

STATUTORY PRIVILEGE OF
CONFIDENTIAL BUSINESS &
PROPRIETARY INFO

DAY MINES, INC.

WALLACE, IDAHO

November 24, 1951

Mr. H. O. Rainey
Geological Survey
S. 157 Howard Street
Spokane, Washington

Dear Mr. Rainey:

With regard to the Mike Savage project in the Sunset Peak area, Mr. H. H. Phipps called and ask for some general information on the area and I have prepared a map showing the position of his portal with respect to the Little Chief Mining claim, on Herculese ground owned by Day Mines, Inc. also the Herculese No. 4 tunnel with the Ambegrist and Honulula crosscuts and their respective elevations.

I think Mr. Savage has the idea, and possibly the main reason for his insistance on this tunnel location, that commercial ore in this area occurs at shallow depth which has been more or less the history of this part of the district. The Sunset mine had their best ore near the surface and all of the producing mines in this area turned to iron with depth.

As for driving through the monzonite, commercial ore has not as yet been found in this formation. The Success mine is on the contact. It appears that they would have to drive about 2900 feet before reaching the contact with the Burke formation.

If the approach were to be made by way of the No. 4 Hercules, with adit on the Burke side, I would think that the Ambergrist crosscut would be the better as ventilation could be established through the Ambergrist shaft. This approach would take them about 520 feet below their present adit on the Ninemile side.

The Company will not permit me to present a project layout from the Nine Mile side or take part in a loan application for such a project so I am submitting the facts as near as we know them and I hope they will be of some use to you.

Yours very truly,

R. Horstman

U.S. v. ASARCO

DOCUMENT CONTROL FORM: PRIVILEGED DOCUMENT

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

Repository Name USGS

Repository Location SPOKANE, WASHINGTON

File Bates Number: USGGPO 0000771

File Owner: N. Eades

File Location: DOI - SOL, WASH DC

Document Date: 1/15/52

Document Title: Application for aid for an exploration project pursuant to mineral order 5, under Defense Production Act of 1950

Document Author: _____

Original Document Attached: Y N

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

Type of Privilege:

ACC

WP

CBI

DP

PI

Other

Reviewer: _____

STATUTORY PRIVILEGE OF CONFIDENTIAL BUSINESS & PROPRIETARY INFO

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No.
Metal or Mineral
Date Received
Amount \$.....
Participation (Government %)

SUNRISE SILVER-LEAD CORPORATION

223 ROOKERY BUILDING

SPOKANE 1, WASHINGTON.

Name and
address of
applicant

Date January 15, 1952

If you have already filed MF-100, give date filed September 24, 1951, type of assistance requested Exploration Loan Under Defense Production Act of 1950
DMA Docket Number (if available)

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you

have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION; SO STATE.

1. (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. **See Exhibit 1, covering Section 1, subdivision (a); also Map furnished.**
- (b) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. **See Exhibit 2, covering Section 1, subdivision (b)**
- (c) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. **See Exhibit 3, covering Section 1, subdivision (c)**

NOTE: (1) 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 (c) 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. **See attached explanation under Note (1)**

(2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. **See attached explanation under Note (2)**

2. (a) What metals or minerals do you expect to find? **Lead, silver, zinc.**
- (b) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

Reference is made to Maps and Engineer's Reports attached hereto.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (a) Describe fully the proposed work and give the total cost of the project.
(b) State the time required to start the project and to complete it.
4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the location of the proposed exploration work as related to geologic features, such as contacts, veins, ore-bearing beds, etc.
5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.
6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.
7. Furnish a detailed list of operating equipment, separated into items to be—
 - (a) Rented
 - (b) Purchased
 - (c) Furnished by youwith the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.
8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.
9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.
10. (a) How much are you prepared to invest in the proposed project?
(b) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO-5)?
11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

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.

SUNRISE SILVER-LEAD CORPORATION

(Name of company)

By



(Signature of authorized official)

January 15, 1952

(Date)

President

(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.

EXHIBIT 1.
COVERING SECTION 1, SUBDIVISION (a) OF APPLICATION

In answer to Subdivision (a) of Section 1 of Application, the properties to be developed by the proposed loan consists of what is known as the C & R Group, the Phoenix Group and the St. James Group, as shown by colorations on map attached to Application, which also includes what is known as the Day Lease granting right-of-way for starting tunnel as indicated on map and certain rights of mining as per Day Lease. No operating property at present.

EXHIBIT 2.
COVERING SECTION 1, SUBDIVISION (b) of APPLICATION

As to ownership of property, we are submitting copies of Options, Leases and Tunnel Agreement under which the Company is authorized to develop and operate the property. These Options, Leases and Agreement will be attached hereto in support of Subdivision (b) of said Section 1 of Application.

EXHIBIT 3.
COVERING SECTION 1, SUBDIVISION (c) of APPLICATION

As to legal description of exact parcel, plot or area upon which the exploration is to be conducted, it will be best shown by referring to engineer's map, a copy of which is furnished herewith and with special reference to proposed location of development tunnel approved by Mr. Wm. H. Simons and marked on the map as progressive Projects No. 1, No. 2 and No. 3. See Map attached.

EXHIBIT 4.
**COVERING NOTE (1) of SECTION 1
OF APPLICATION**

The actual area explored by the proposed development program indicated by Project No. 1, No. 2 and No. 3 progressively will reach the several probable ore zones, and from the said proposed Projects, exploration and development work will reach in different directions according to the ore showings that may be encountered in the properties of the proposed development program and the funds will be used, first on the main proposed tunnel as indicated by map, and second, the exploration of any

MF-103

EXHIBIT 4

COVERING NOTE (1) OF SECTION 1
OF APPLICATION (CONTINUED)

ore shown leading off from the main proposed tunnel.

EXHIBIT 5

COVERING NOTE (2) OF SECTION 1
OF APPLICATION

There are no liens or encumbrances on any of said properties, except the Leases, Options and Agreements, copies of which are hereto attached and by reference made a part of this Application, and a chattel mortgage given to Emmett Shawgo on equipment, \$6700.00.

(a) This proposed mining development is for the purpose of opening up and exploring underground, two known vein systems, viz: The Ambergris-Guelph system and the C&R-Sunset-Silver Tip System, as indicated on map. These vein systems have both had a substantial production of lead-zinc and silver in the Ambergris, Sunset and Silver Tip Mines. (See map attached) The Guelph and C&R are both well known to be well mineralized but have had no commercial production.

Also a Project for future consideration is the exploration of the Cedar Creek vein system which lies to the Northeast but of which, in this vicinity, very little is known as yet.

The crosscut tunnel now being driven with substantial equipment already installed, is for the specific purpose of obtaining access to the above mentioned vein systems from the Nine Mile Creek side of the mountain where a year-around operation can be maintained with well-improved roads to the property, and where advantage can be better taken of the labor, power and transportation facilities around this property, and between this project and the modern community of Wallace, Idaho, the tunnel already started is 7' x 8' and will be driven by the modern machinery and equipment now installed and which is in good operating condition.

Mr. Simons suggests that the present exploration should be divided into three different parts, and I quote from Mr. Simons' recommendations, namely,

PROJECT NO. 1

Drive crosscut to intersection with Ambergris-Guelph Vein system, a distance of approximately 1500 feet, and the exploration of the vein to the limits of the property. This will take about 1000 feet of drift. The total cost of this project will be approximately, \$75,000.00.

PROJECT NO. 2

Drive the crosscut ahead from Project No. 1 to an intersection with the C&R vein, a distance of approximately 1600 feet and the exploration of the C&R vein, both at

depth and laterally in the vicinity of the old workings. 500 feet of drifting and 200 feet of raises and winzes should be available for this work. The total cost of Project No. 2 would be approximately \$75,000.00.

PROJECT NO. 3

Providing the developments in Project No. 2 warrant it, this project should consist of - the exploration of the C&R vein to the Southeast. At least 2000 feet of drifting and crosscutting together with raises and winzes as required should be done at a cost of approximately \$75,000.00.

(b) Complete equipment, housing, roads, power line and transformer station has been installed; (see accompanying inventory) and 165 feet of the crosscut has been driven.

Operations can be continued on Project No. 1 as soon as the money is available for labor and supplied.

It is estimated that ten months should complete Project No. 1. Project No. 2 will take about one year to complete and Project No. 3, about one and one-half years.

Some of the work in Projects No. 1 and No. 2 and in Projects No. 2 and No. 3 could run concurrently to shorten the over-all time of completion of the three projects.

This installation was made in this location and the program out-lined herein started only after considerable discussion with engineers and geologists thoroughly familiar with this particular district.

MF - 103 SECTION 4

A map is submitted herewith, showing the location of the portal of the tunnel and the proposed crosscut tunnel, the location of the veins to be prospected, as well as the old workings on the St. James and the C&R.

This old work was done from the Cedar Creek side but further work there is considered impractical on account of the shortness of the season and the lack of transportation facilities.

The various projects outlined in Section 3 are shown in colors upon this map.

Easements have been obtained on the properties of Day Mines, Inc. and also the right to mine on the Day Mines property down to a depth of 200 feet below the tunnel level for a distance of 500 feet on each side of the crosscut tunnel.

For more specific and detailed statement as related to geologic features, such as contacts, veins, ore-bearing zones, etc., we respectfully refer to what is known as the Hall and Simons reports on the properties involved and the bulletins and professional papers of the U.S.G.S. on this district.

The company is well equipped for the projects contemplated as well as having a considerable quantity of supplies on hand. All buildings and equipment have been installed and are either new or in excellent condition; an Inventory as of December 31, 1951 is hereby attached.

No rehabilitation or repairs are necessary as everything was left in operating condition when operations were discontinued last Fall for lack of working capital.

Mr. Mike Savage who has charge of the operation is an experienced and competent mining operator who has had years of experience in developing and operating large scale mining operations in the Coeur d'Alene District as well as other sectors of the country.

MF - 103

SECTION 6

NONE

MF - 103 SECTION 7

(a) NONE

(b) NONE

(c) See Inventory hereto attached. On permanent installations and equipment, depreciation should be allowed according to the best accounting practices. All supplies and other equipment should be charged out as used on the basis of present market value.

All installations, equipment and supplies on the property have been paid for and the accompanying Inventory is believed to be a fair estimate of the present value of the items included.

MF - 103 SECTION 8

Mike Savage will be the Manager. He is a first-class, practical mining man with a vast amount of experience in the developing of important properties in the Coeur d'Alene Mining District, and while he has had no salary up to the present time, he should be paid at least \$400.00 per month when finances are available.

Miners, muckers, etc. will be paid the Union scale of wages as from time to time prevail in this Mining District. No other salaries are contemplated until property is producing except a nominal amount of probably \$50.00 per month for bookkeeping and incidentals.

Plant depreciation, labor, materials, supplies, power, supervision and overhead are all included in the cost per foot.

MF - 103 SECTION 9.

While the Washington Water Power Company has been furnishing the power up to the present time without a charge, except for road easements and privileges, when we do commence paying a regular charge for power, the price will be ^{the} regulated price as is customary for such utilities and a rough estimate would be approximately \$200.00 per month.

The overall cost of running and equipping this job would probably be around \$30.00 or less per foot.

Much engineering has already been done, and further engineering and assaying will be done as the necessity arises. This expense is included in the per foot cost.

Accounting not exceeding \$50.00 per month.

Power, which has been offset by right-of-way privileges up to the present time, but will soon have to be paid at the usual utility rates, and would probably run about \$200.00 per month.

Water is ample without cost.

MF - 103 SECTION 10

(a) We have already furnished finances and machinery as hereinbefore described but we expect to comply with your regulations in matching Federal funds, or more.

(b) Yes - this should be sufficient to find the ore in several veins at the depth reached by the tunnel planned and now being driven.

MF - 103 SECTION 11

For this project, it would seem to us that the information given should be sufficient except for the personal examination by your office and the determination, by consultation with your Officials, as to the manner in which the various projects shall be handled, both financially, and as an operating problem.

INVENTORY OF SUNRISE SILVER-LEAD
CORPORATION, AS OF DECEMBER 31, 1951

1	Compressor Building 24' x 19'.....	\$ 1,200.00
1	Change House 14' x 30'	1,300.00
1	Blacksmith Shop 24' x 20'.....	1,100.00
1	Power Station stepped down from 13,000 Volts to 2,300 Volts, and from 2,300 Volts to 220 Volts.....	1,100.00
1	Gardner-Denver 12' x 12' Compressor with 75 H.P. Motor and switches plus other necessary equipment.....	7,500.00
	Change House equipment.....	400.00
	Blacksmith Shop equipment including steel sharpener and other necessary tools to be fully equipped.....	5,000.00
15	Tons of 16 lb. rails, with bolts, fish plates and spikes.....	2,100.00
1	14" Electric Air Blower with 5 H.P. Motor.....	475.00
5	Tons of Drill Rods from 26" to 10' inclusive; all made up for jack bits.....	3,600.00
1500	Jack Bits.....	600.00
1	Automatic Ingersoll-Rand Drifter.....	1,000.00
1	New Swedish Drilling Machine, fully equipped.....	705.00
1	Used Jack Hammer and 1 Gardner-Denver Stoper.....	500.00
	Machine Bars with clamps and arms.....	400.00
	2000 feet of 2 inch Air Pipe with valves and couplings.....	1,000.00
	Shop tools and mining tools and logging tools.....	1,200.00
1	1950 One-half Ton Chevrolet Pick-up Truck, fully insured.....	1,900.00
1	Used Ford Jeep.....	800.00
	1½ Mile Road Construction from Highway to Portal Site; bulldozing and stripping of tunnel site and making of yard.....	2,100.00
1	Gardner-Denver Mucking Machine.....	3,400.00
	Lumber and Timber on hand.....	400.00
5	36 cu. ft. Tunnel Cars.....	2,400.00
	Water System.....	600.00
	Bulldozing labor on other side of property.....	1,600.00
	Main Crosscut tunnel 7'6" x 6'6" distance of 165 feet with outside trackage, trestle and switches @ \$30.00 per foot.....	4,950.00
	Cost of wiring building and supplies.....	375.00
	Powder fuses and caps, and other miscellaneous equipment.....	750.00
1	Gardner-Denver Tugger Hoise.....	650.00

Total.....\$49,105.00

EXTRA PROPERTY OWNED BY THIS CORPORATION

A group of seven additional claims designated on the map as - the Granite Group, having been located by the Company and is additional to the other Groups known as the St. James, C. & R. and Phoenix, and while this group of claims is designated as - the Granite Group, they are a long ways outside of the Granite contract as noted on the map.

THIS INDENTURE made and entered into this 1st day of May, 1951, between DAY MINES, INC., an Idaho Corporation, having its registered office and principal place of business at Wallace, Shoshone County, Idaho, hereinafter called the Party of the First Part, and SUNRISE SILVER-LEAD CORPORATION, an Idaho corporation having its registered office at Wallace, Idaho, hereinafter called the Party of the Second Part,

WITNESSETH:

WHEREAS, Party of the First Part is the owner of certain patented mining claims situated in Placer Center Mining District, Shoshone County, Idaho; and,

WHEREAS, Party of the Second Part desires to secure a right-of-way and easement for an access road to the LITTLE CHIEF lode Mining Claim, U.S.M.S. #1903, the property of the Party of the First Part; and,

WHEREAS, Party of the Second Part in addition desires to secure an easement for purposes of driving a tunnel in, through and under premises hereinafter more particularly described, the property of the Party of the First Part; and,

WHEREAS, Party of the First Part is willing to grant an easement and right-of-way for the purposes aforesaid for a period of twenty (20) years.

NOW, THEREFORE, in consideration of the sum of ONE (\$1.00) DOLLAR, lawful money of the United States to it in hand paid and for other good and valuable consideration passing between the parties hereto, the existing--- existence of which is hereby admitted, and in consideration of the performance by the Party of the Second Part of the covenants and agreement-s hereinafter setforth, the Party of the First Part hereby grants to the Party of the Second Part, an easement and right-of-way for a period of twenty (20) years from the date hereof for a right-of-way road more particularly described as follows, to-wit:

Beginning at a point on the Interstate Mine road a distance of approximately 100 feet South of the Northerly side line of the Bessie Lode Mining Claim, U.S.M.S. #2567, thence in a Northeasterly direction on the East side of the East Fork of Nine Mile Creek over and across the Nellie, U.S.M.S. #2567, the Illinois, U.S.M.S. #2567, Iowa, U.S.M.S. #2567, Chandler, U.S.M.S. #2567, Globe, U.S.M.S. #2567, Giant, U.S.M.S. #2567, Atlas, U.S.M.S. #1904, Burgomaster, U.S.M.S. #2018, Grace, U.S.M.S. #2567, Central, U.S.M.S. #2297, and Little Chief, U.S.M.S. #1903 lode mining claims;

STATE OF IDAHO)
 : ss.
COUNTY OF SHOSHONE)

On this 1st day of May, 1951, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared F. M. ROTHROCK, personally known to me to be the Vice-President of DAY MINES, INC., and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in Wallace, Idaho, the day and year in this certificate first above written.

KATHRYN A. EICHWALD

Notary Public in and for the State
of Idaho, residing at Wallace.

STATE OF WASHINGTON)
 : ss.
COUNTY OF SPOKANE)

On this 1st day of May, 1951, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared H. J. WAUGH, personally known to me to be the President of SUNRISE SILVER-LEAD CORPORATION, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at my office in Spokane, Washington, the day and year in this certificate first above written.

LARRY L. LINCOLN

NOTARY PUBLIC in and for the
State of Washington, residing at Spokane,

THIS INDENTURE made this 1st day of May, A. D. 1951, between DAY MINES, INC., a corporation organized and existing under the law of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSOR, and SUNRISE SILVER-LEAD CORPORATION, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSEE, WITNESSETH:

That the said Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by said Lessee to be kept and performed, has granted, demised and let, and by these presents does grant, demise and let unto said Lessee all the following described mining property located in Placer Center Mining District, Shoshone County, Idaho, to-wit:

FIVE HUNDRED (500) FEET on either side of the crosscut or tunnel to be constructed by the Lessee measured at right angles from the center thereof, to a depth of 200 feet below the said tunnel level and from the said tunnel level to the surface, said tunnel being more particularly described in that certain easement and right-of-way agreement executed this date between the parties hereto and by reference made a part hereof, said tunnel to run in, under and through the Little Chief, U.S.M.S. #1903, Ajax U.S.M.S. #2138, Anaconda U.S.M.S.#1902, Waterloo U.S.M.S.#2769, Wellington U.S.M.S. #2137 and Goofy Jack lode mining claims.

TO HAVE AND TO HOLD unto said Lessee for a period of twenty (20) years after the date of this lease. If said Lessee shall operate said property and premises under the terms of this lease, after its expiration, by and with the consent of the Lessor, either party may terminate this lease by giving twenty (20) days written notice of intention to terminate the same. Such notice may be served upon anyone of the officers of the Lessee or upon the manager of the Lessor, or it may be deposited properly addressed to the party to receive same in the United States Post Office, postage prepaid, and the time of final termination of this lease shall begin to run with the date of the notice so served. This lease may be sooner forfeited or terminated through the violation of any covenant hereinafter against said Lessee or Tenant reserved.

In consideration of said demise, Lessee does covenant and agree with the Lessor as follows, to-wit:

1. That the Lessee herein is an independent contractor and there shall be no privity of contract between the Lessor and employees or sub-lessees of the Lessee. All such employees or sub-lessees, whether on a wage or profit-sharing basis, shall be selected by the Lessee, fired by Lessee, directed by Lessee and paid by Lessee, and that subject only to the specific limitations herein set out. Lessee shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

2. That during the term of this lease or any extension thereof, the Lessee shall cause the leased premises to be worked with reasonable

diligence and by the term reasonable diligence, as used herein, the parties agree that the work requirements to be performed by the Lessee in accordance with the terms of that certain lease executed by the said SUNRISE SILVER-LEAD CORPORATION, as Lessee, and the C. & R. Mining Company, an Idaho Corporation, as Lessor, on the last day of May, 1951, wherein the said SUNRISE SILVER-LEAD CORPORATION leased any vein or veins discovered in the C. & R. group of mining claims to a depth of 200 feet below the level of the crosscut to be driven by Lessee at an elevation of 5,250 feet and also vein or veins above the level of the said crosscut or tunnel shall constitute prima facie evidence of such reasonable diligence; that Lessee will perform all work in said demised premises in miner-like manner and in accordance with the mining laws of the State of Idaho and such rules and regulations as have been or may be issued by Industrial Accident Board of Idaho or the State Mines Inspector. All openings shall be maintained in accordance with the standards established by such rules and regulations and shall be kept thoroughly drained and clear of loose rock and rubbish and obstruction, unless prevented by extraordinary mining casualties.

3. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased.

4. That the Lessee will, at its own expense, carry Workmen's Compensation Insurance and Occupational Disease Compensation Insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho in aid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessor with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workmen's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Lessor the evidence of the compliance with said law and the payment of premiums due on such policies.

5. That the Lessee will pay any loss or expense resulting from any shipment of ores the proceeds of which are not sufficient to meet all freight, smelter or other costs or charges in connection therewith.

6. That there is reserved to the Company, the right to enter upon the leased property for the purpose of inspection of the work, of surveying, sampling and checking upon compliance with the safety rules and regulations.

7. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises, as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by Lessee under lease from the Lessor, and that the Lessee and not the Lessor is liable for all labor performed and supplies and other material used by Lessee in and upon the

demised premises, and that the Lessee and not the Lessor shall be responsible for all debts and expenses incurred in the mining operations in or upon the demised premises.

8. That the Lessee will hold the Lessor harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessor 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, their agents and servants, including claims, demands, causes of action, costs and expenses, arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee or otherwise, and to defend the Lessor at its own cost and expense from such liability or asserted liability.

9. That the Lessee will not assign or sublet this lease, or any interest therein, or the premises affected thereby, or any portion thereof, without the written consent of Lessor, nor allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

10. That as further consideration for this agreement, the Lessor shall have permission, and is herewith granted permission by the Lessee to use a crosscut or tunnel to be constructed by said Lessee together with the tracks, trolley wires, air pipe, and all fixtures and equipment situated in said tunnel so long as lessor's use does not interfere with the operation of the Lessee.

11. That all ores won from the demised premises by said Lessee shall be shipped in the name of the Lessor to the smelter or smelters offering the best terms. The Lessor shall deduct as royalty $12\frac{1}{2}$ per cent of the net smelter returns plus $12\frac{1}{2}$ per cent of any subsidies and/or premiums paid by any Federal Agency for copper, silver, lead and zinc production. The Lessor shall pay to said Lessee eighty-seven and one-half ($87\frac{1}{2}$) per cent of the net smelter returns of all ores shipped, calculated as hereinbefore stated, and eighty-seven and one-half ($87\frac{1}{2}$) per cent of any premiums paid by any Federal Agency for copper, lead, silver and zinc production.

The net smelter returns are defined as the smelter schedule per dry ton for concentrates or crude ore, less smelter treatment charges and penalties, transportation of such concentrates or crude ore by truck or railroad to the reduction plant, control assaying and sampling charges.

12. That the Lessee will furnish at its own cost, all labor, all operating supplies and equipment required in doing said work.

13. That upon violation of any of the covenants or agreements of this lease by Lessee, the term of this lease shall, at the option of Lessor, terminate and expire, and the lease and leasehold rights of the Lessee in

Wallace, Idaho
May 1, 1951

Mr. H. J. Waugh, President
Sunrise Silver-Lead Corporation
Bus Terminal Building
Spokane, Washington.

Dear Mr. Waugh:

Phoenix Mining & Milling Co., Ltd.

This letter is written for the purpose of clearly outlining the terms and conditions of an Agreement under which the Sunrise Corporation may acquire the Phoenix group of 12 unpatented claims.

1. I will undertake immediately to have the Phoenix company re-instated under the laws of the State of Idaho, and new directors and officers elected so that the Corporation is legally in a position to do business.
2. When this task is completed, as majority shareholder, I will have the Phoenix company give the Sunrise Corporation an option to purchase the 12 unpatented Phoenix claims on or before September 1, 1953, for \$25,000, cash.
3. Your company is to meet the expenses as they occur or have occurred of re-instating, auditing the financial books and stock records, and the costs of levying a small assessment and related expenditures estimated at \$500 to \$600.
4. This will acknowledge receipt of your check for \$203 which is the re-instatement fee for the Phoenix company that must be paid immediately to the Secretary of State.
5. Your Company agrees to perform the assessment work and file Proofs of Labor on the 12 unpatented claims during each of the fiscal years ending July 1, 1951; July 1, 1952; and July 1, 1953.

An extra copy of this letter is enclosed. If you will kindly sign, date, and return one copy of this letter to me, I will proceed immediately with the program outlined heretofore.

Very truly yours

s/s MARY G. EBBLEY

Accepted and agreed to:

SUNRISE SILVER-LEAD CORPORATION

By H. J. WAUGH
President

May 1, 1951.

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 1951, by and between Roy H. Kingsbury, of Wallace, Idaho, the party of the first part, and H. J. Waugh, of Spokane, Washington, the party of the second part:

WITNESSETH; that whereas the party of the first part is the owner by tax deed of the Ula and Try Me patented lode mining claims and desires to sell the same, and the party of the second part desires to buy these claims:

NOW THEREFORE, the party of the first part, the vendor, agrees to sell to the party of the second part, the purchaser, and the purchaser agrees to purchase of said vendor, upon the terms and conditions hereinafter setforth, the said Ula and Try Me patented mining claims together with the appurtenances, except as further provided herein.

The purchase price agreed upon is 25,000 shares of the capital stock of the Sunrise Silver-Lead Corporation, an Idaho Corporation, and the sum of \$10,000.00, payable as follows:

\$2,500.00 cash, on or before September 1, 1951
\$1,500.00 cash, on or before March 1, 1952
\$3,000.00 cash, on or before September 1, 1952
\$3,000.00 cash, on or before March 1, 1953

all payments to be made to the vendor at 510 Bank Street, Wallace, Idaho, and to be by him credited upon the purchase price.

There is reserved and excluded from this Agreement for a limit of five years from date hereof, all merchantable timber upon the two patented mining claims, the said timber to be retained and removed at the pleasure of the party of the first part within this period, and the party of the first part shall have the right and privilege of using or making access roads to remove the timber. It is understood that the roads shall be made with discretion and judgment so as not to interfere with mining work on the property.

Purchaser shall have possession of the property, except as noted, upon the execution of this contract, and shall continue in such possession as long as the terms of this Agreement are fully complied with.

Time is the essence of this Agreement, and should the purchaser fail to make the payments and to deliver the said 25,000 shares of stock by the time of the second payment, or to keep and perform any of the covenants and agreements herein mentioned, the same shall constitute a forfeiture of this Agreement, and thereupon the vendor, at his option, may declare such forfeiture by written notice to purchaser, and at the expiration of thirty days, the terms of this Agreement meanwhile not having been complied with, the purchaser agrees to peacefully vacate and the vendor may enter into said premises and take possession of them, and this Agreement shall be at an end and null and void, and purchaser shall forfeit to vendor as liquidated damages, all payments made hereunder, and immediately surrender possession of the premises.

AGREEMENT - CONTINUED

Any failure of vendor to declare a forfeiture at any time upon violation of any of the terms of this contract by the purchaser shall be deemed only an indulgence by vendor for that particular time and shall not be construed to be a waiver of any rights of vendor specified herein. Any notice, demand or communication to be given by either party to this contract by the other party shall be in writing and may be transmitted to the other party by registered mail addressed to vendor at Wallace, Idaho, and to the purchaser at Bus Terminal Building, First and Jefferson Sts., Spokane, Washington, or may be personally served on either party hereto, provided that either party may change their place of address by notice to the other party as provided.

Vendor agrees to furnish to purchaser, at or before the time of making the second payment hereunder on March 1, 1952, an abstract of title to said property, certified to date, showing title in vendor, free from incumbrance, it being understood however, that for the purpose of this instrument, the following shall not be considered as encumbrances:- reservations in any United States patent, easements for roadways, telephone lines or electric power transmission lines.

The twenty-five thousand shares of stock named as part of the consideration or purchase price shall not be issued until September 1, 1952, in order that the purchaser may control the same until that time so that it may not come in competition with efforts to finance work by the sale of stock, and upon completion of payment of the purchase price, vendor agrees to make a good and sufficient deed, conveying all his tax title, and to execute and deliver the same to purchaser or his assigns, conveying said mining claims to purchaser or his assigns free and clear from all encumbrances and having affixed thereto the requisite United States revenue stamps.

Purchaser shall have the right, while this agreement is in force, and effect, to work and operate at his discretion and to such extent and in such manner as they may deem proper the mining properties aforesaid, provided, however, that all work carried on by them shall be done in a good and workman-like manner and at their sole cost and expense. They shall fully pay and discharge all obligations they may incur for labor, materials, or otherwise in the prosecution of work so carried on, and shall save and protect vendor free and harmless from any and all claims, demands and liens for labor and material that may be furnished for or on request of purchaser during the life of this contract or that may be used in the prosecution of the work so carried on.

Purchaser agrees to post and keep posted in a conspicuous place on said premises a notice satisfactory to vendor and in accordance with the laws of the State of Idaho, to the effect that vendor and said property shall not be liable for any debts incurred or obligations created by purchaser in the prosecution of work upon the same under this Agreement.

Purchaser shall have the right to mine, mill and ship any ores that may be extracted or removed from the aforesaid mining claims during the life of this Agreement upon paying a royalty of 15% of the net smelter returns on

--- said ores, together with 15% of all bonuses, premiums or incentives paid by the Government on said ores, to the extent same are allowed by Governmental rules and regulations; all remittances therefor to be made to Roy H. Kingsbury, at 510 Bank Street, Wallace, Idaho, on or before the 15th day of each month next following the receipt by purchaser of smelter check for the settlement for ores so shipped, and to be credited on purchase price due under this agreement and applied to the next installment due hereunder. Duplicate copies of all settlement sheets for any and all ores sold to be sent to said vendor, Roy H. Kingsbury, at Wallace.

Purchaser agrees to pay all taxes levied and assessed against said property for the current year and for all ensuing years while this agreement is in force and effect.

It is understood that this lease shall be assigned to Sunrise Silver-Lead Corporation, and in fact is taken for their benefit.

The vendor, or his representative, shall have the right at all reasonable times to inspect the workings in which operations may be carried on pursuant to this agreement, or any other workings on said property, and shall also have the right at all reasonable times to inspect any maps, assay plans, drill cores, and all metallurgical or other records relating to exploratory or development work carried on by purchaser within the property of vendor.

Purchaser agrees to carry compensation insurance upon his employees under the Idaho Workmen's Compensation Law, and otherwise in all respects hold vendor harmless from all liability while said property is being worked and developed by them or their assigns during the life of this agreement. Purchaser further agrees to comply with all Federal and State laws relating to social security, unemployment and Old Age Insurance, wages and hours, and all other statutes, both Federal and State, affecting the operation of said property and conditions of employment of all persons in the employ of purchaser.

Upon termination of this Agreement by forfeiture or otherwise, purchaser or their assigns shall pay and discharge all debts and obligations incurred in any operations hereunder, and shall relinquish to vendor, said mining properties free and clear of all liens and incumbrances arising from such operations.

In the event of termination of this contract by forfeiture or otherwise, all track, air pipe and fan pipe placed upon said property by purchaser and which shall be actually installed and in place underground, and all buildings on the surface, shall be considered part of said premises and shall become the property of vendor. All tools, pipe, machinery and equipment placed upon said property by purchaser and installed upon the surface thereof, and all machinery and equipment installed underground, unless otherwise specified, shall remain the property of purchaser, and they shall have the right to remove same within sixty days after the receipt of written notice of forfeiture or termination of this contract.

AGREEMENT - CONTINUED -----4

Each of the foregoing covenants and agreements of this contract shall extend to and inure to the benefit of the successor and assigns of purchaser, and the heirs, personal representative and assigns of vendor.

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

s/s ROY H. KINGSBURY

Vendor.

s/s H. J. WAUGH

Purchasers

STATE OF IDAHO)
 : ss.
COUNTY OF SHOSHONE)

On this 1st day of June, 1951, before me, a Notary Public, personally appeared Roy H. Kingsbury, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

s/s MARGARET SCHELINO

Notary Public in and for the State
of Idaho, residing at Wallace.

STATE OF IDAHO)
 : ss.
COUNTY OF SHOSHONE)

On this 1st day of June, 1951, before me a Notary Public, personally appeared H. J. Waugh, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

s/s MARGARET SCHELINO

Notary Public in and for the State
of Idaho, residing at Wallace.

THIS INDENTURE made this 1st day of May, A. D. 1951, between C. & R. MINING COMPANY, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSOR, and SUNRISE SILVER-LEAD CORPORATION, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSEE,

WITNESSETH:

That the said Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by said Lessee to be kept and performed, has granted, demised and let, and by these presents does grant, demise and let unto said Lessee all the following described mining property located in Beaver and Summit Mining Districts, Shoshone County, Idaho, to-wit:

ALL those portions of any vein or veins discovered in the C. & R. group of mining claims to a depth of 200 feet below the level of the tunnel to be driven by Lessee at an elevation of 5,250 feet and also all those portions of any vein or veins discovered in said group of mining claims above the level of the said tunnel or crosscut to be driven by said Lessee, which said group consists of the following:

JUNE, U.S.M.S. #3609; KNOB HILL, U.S.M.S. #2933; SUMMIT, U.S.M.S. #2933; CAPTAIN CASH, U.S.M.S. #2105; NAPOLEON, U.S.M.S. #2105; SIDWELL FRACTION, U.S.M.S. #2105; BOTHA, U.S.M.S. #2105; CRATER FRACTION, U.S.M.S. #3070; and RUSSEL FRACTION, U.S.M.S. #3070; C. & R., U.S.M.S. #2105.

TO HAVE AND TO HOLD unto said Lessee for a period of twenty (20) years after the date of this lease. If said Lessee shall operate said property and premises under the terms of this lease, after its expiration, by and with the consent of the Lessor, either party may terminate this lease by giving twenty (20) days written notice of intention to terminate the same. Such notice may be served upon anyone of the officers of the Lessee or upon the manager of the Lessor, or it may be deposited properly addressed to the party to receive same in the United States Post Office, postage prepaid, and the time of final termination of this lease shall begin to run with the date of the notice so served. This lease may be sooner forfeited or terminated through the violation of any covenant hereinafter against said Lessee or Tenant reserved.

In consideration of said demise Lessee does covenant and agree with the Lessor as follows, to-wit:

1. That the Lessee herein is an independent contractor and there shall be no privity of contract between the Lessor and employees or sub-lessees of the Lessee. All such employees or sub-lessees, whether on a wage or profit-sharing basis, shall be selected by the Lessee, fired by Lessee, directed by Lessee and paid by Lessee, and that subject only to the specific limitation herein set out, Lessee shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

2. That during the term of this lease or any extension thereof, the Lessee shall cause the leased premises to be worked with reasonable diligence; and by the term "reasonable diligence" as used herein, the parties agree that six hundred (600) shifts of work per twelve months period during the term hereof shall constitute prima facie evidence of such reasonable diligence; which said work requirement shall be performed outside the boundaries of the premises herein leased, until the crosscut to be driven by Lessee has been extended into said leased premises at which time said required work shall be performed within the premises herein leased; that Lessee will perform all work in said demised premises in miner-like manner and in accordance with the mining laws of the State of Idaho and such rules and regulations as have been or may be issued by the Industrial Accident Board of Idaho or the State Mines Inspector. All openings shall be maintained in accordance with the standards established by such rules and regulations and shall be kept thoroughly drained and clear of loose rock and rubbish obstruction, unless prevented by extraordinary mining casualties.

3. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased.

4. That the Lessee will, at its own expense, carry Workmen's Compensation Insurance and Occupational Disease Compensation Insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho inaid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessor with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workmen's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Lessor the evidence of the compliance with said law and the payment of premiums due on such policies.

5. That the Lessee will pay any loss or expense resulting from any shipment of ores the proceeds of which are not sufficient to meet all freight, smelter or other costs or charges in connection therewith.

6. That there is reserved to the Company the right to enter upon the leased property for the purpose of inspection of the work, of surveying, sampling and checking upon compliance with the safety rules and regulations.

7. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by Lessee under lease from the Lessor, and that the Lessee and not the Lessor is liable for all labor performed and supplies and other material used by Lessee in and upon the demised premises, and that the Lessee and not the Lessor shall be responsible for all debts and expenses incurred in the mining operations in or upon the demised premises.

8. That the Lessee will hold the Lessor harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessor 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, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee or otherwise, and to defend the Lessor at its own cost and expense from such liability or asserted liability.

9. That the Lessee will not assign or sublet this lease, or any interest therein, or the premises affected thereby, or any portion thereof, without the written consent of Lessor, nor allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

10. That as further consideration for this agreement the Lessor shall have permission, and is herewith granted permission by the Lessee to use a crosscut or tunnel to be constructed by said Lessee together with the tracks, trolley wires, air pipe, and all fixtures and equipment situate in said tunnel so long as Lessor's use does not interfere with the operation of the Lessee.

11. That all ores won from the demised premises by said Lessee shall be shipped in the name of the Lessor to the smelter or smelters offering the best terms. The Lessor shall deduct as royalty $12\frac{1}{2}$ per cent of the net smelter returns plus $12\frac{1}{2}$ per cent of any subsidies and/or premiums paid by any Federal Agency for copper, silver, lead and zinc production. The Lessor shall pay to said Lessee eighty-seven and one-half ($87\frac{1}{2}$) per cent of the net smelter returns of all ores shipped, calculated as hereinbefore stated, and eighty-seven and one-half ($87\frac{1}{2}$) per cent of any premiums paid by any Federal Agency for copper, lead, silver and zinc production.

- - - - PRELIMINARY REPORT - - -

C & R., PHOENIX and ST. JAMES PROPERTIES

TO WHOM IT MAY CONCERN:

Complying with the request of Mr. E. C. Outlaw, Secretary of the Boundary Consolidated Mining Company, I herewith submit the following preliminary report which is written from examinations made at different times during the past several years.

LOCATION:

These three properties are located north of the divide which extends easterly from Sunset Peak (Elev. 6424) Beaver Mining District, Shoshone County, Idaho.

The Sunset Mine (Owned by the estate of Ex-Senator Clark of Montana) is about nine miles northeast of Wallace by wagon road. From there it is one-half by trail to the St. James and C & R tunnels. The properties may also be reached by about one mile of trail from the Cedar Creek property.

TITLE AND CLAIMS:

The St. James consists of two claims held by the U.S. patent. The Phoenix and C & R consists of twenty some odd claims held by location under the mining laws of the United States.

TOPOGRAPHY:

The portals of the St. James and C & R lower tunnels are at the head of Cedar Creek, 3000 feet southeasterly and 1280 feet below Sunset Peak. The St. James tunnel extends westerly and the C & R tunnel southeasterly. Cedar Creek flows northerly along the west end line of the Phoenix property. The northwest corner of the Phoenix is approximately 2000 feet below Sunset Peak and extends southeasterly to at least 1500 feet above this point.

TIMBER AND WATER SUPPLY:

On these properties is sufficient good mine timber to last for years. On Cedar Creek near the northwest corner of the Phoenix, water power for one or two air drills could be developed.

GEOLOGY:

The prevailing formation is what is locally known as the Burke quartzite with intrusions, on these and the adjoining properties, of Monzonite (Granite). The quartzite shos intense metamorphism, due to the intrusion of Monzonite.

The intrusions of igneous rock are of interest as having probably been concerned in the original ore deposition.

VEIN CHARACTERISTICS AND DEVELOPMENT:

Passing through Sunset Peak and cutting the formation, is an ore bearing fissure extending in a southeasterly direction through the St. James across the southwest corner of the Phoenix and for the full length of the C & R. Approximately 7,000 feet along the apex or outcrop in these properties. Dip slightly south and

VEIN CHARACTERISTICS AND DEVELOPMENT (CONTINUED)

strike N. 50°E. Width from 2 to 20 feet. Along the outcrop the vein filling is altered quartzite impregnated, in places, with monzonite (granite). The mineral is chiefly black oxide of iron with a fair showing of galena (lead with silver content) and spalerite (zinc blend). North and South faulting with no great displacement of the vein is noted in several places from Sunset Peak south-east.

In the No. 1 St. James tunnel, at a depth of 90 feet, the vein is 12 feet wide with a good showing of lead, silver and zinc ore.

The time of my last visit, several years ago, the No. 1, C & R tunnel was caved. Above this tunnel the outcrop is stronger than at any other point in these three properties.

In the C & R No. 2 tunnel, I was unable to reach the vein because of bad air. In the No. 3 tunnel the vein had not been reached at the time of my examination, but from the slips and the appearance of the rock, it should be only a short distance ahead.

Both the No. 2 and No. 3, C & R tunnels are started on Phoenix ground.

I understand that farther north a parallel vein shows on the Phoenix property. I have made no examination of this vein.

ADJOINING PROPERTIES:

The Sunset or Clark property to the northwest of the St. James on the same vein. In this property from the 1000 ft. level (1700 ft. below Sunset Peak) to the surface, I stated in a recent report that there was 91,700 tons of partly blacked out ore that would assay 3.7 oz. silver; 11.7% zinc and 7.1% lead. I figured a net profit of \$8.68 per ton or a total of \$795,956.00 net profit on this ore. I did not consider the 500,000 tons of possible ore above this level. This estimate was made after a personal examination several years ago and from a study of the assay maps furnished me by the Clark-Montana Realty Company.

Down Cedar Creek and adjoining the Phoenix on the north, the Cedar Creek property has been under development for several years. This Company recently completed a 150 ton Mill and a few days ago began hauling concentrates to the railroad at Eagle.

To the south of the C & R, the Guelph has been undergoing development for some time. To the south of the Guelph the Ambergris, owned by the Hercules Company, has been developed and mined from the lower levels of the Hercules. The Hercules workings enter the hill from Burke. This property, owned by the Days, has been one of the famous dividend payers of the Coeur d'Alene District.

South of the St. James and Sunset are the holdings of the Callahan Company. The lower workings of this company enter from the Nine Mile Canyon side of the hill. This property has been another famous dividend payer.

FUTURE DEVELOPMENT:

In considering this feature for the St. James, C & R and Phoenix properties, there are several possibilities that will require considerable study before deciding on the proper method of development. Some of these possibilities also depend on what arrangement may be made with the adjoining properties.

The vein may be cut 182 ft. below the 1000 ft. level of the Sunset property by driving a 4700 ft. crosscut from the No. 4 tunnel of the Callahan. This would give an outlet to the Callahan mill at the portal of No. 4 tunnel. The mill is connected by aerial tram to the railroad in Nine Mile Canyon.

Another possibility is through the Hummingbird tunnel of the Hercules Company. This tunnel enters the hill from Burke and extends in to the Ambergris property. A 2000 ft. crosscut to the northeast should cut the vein at much greater depth than would a crosscut from the Callahan No. 4 tunnel.

Another possibility is by a 3400 ft. crosscut southwesterly from the northwest corner of the Phoenix property. A crosscut from this point would cut the vein at a high elevation than from the Callahan No. 4.

The vein may also be further developed from the No. 3 C & R tunnel at from 400 to 700 feet below the surface.

CONCLUSIONS:

The St. James, C & R and Phoenix properties are traversed for some 7000 feet by a strong fissure vein development of which shows commercial ore in several places.

Under no better blow-out than that on the C & R, the Sunset property to the northwest and on the same vein, has ore partly blocked out that should net not less than \$500,000.00. This is only a small item as compared to the possible profits that may be derived from the further development of this vein.

I believe that the cost of developing this vein at great depth in these properties is fully justified and will net a real profit on the investment.

Respectfully submitted,

JULIUS P. HALL

Mining Engineer

LETTER OF TRANSMITTAL

Wallace, Idaho
March 15, 1951

To - The Directors
Sunrise Silver-Lead Corporation
Spokane, Washington.

Gentlemen:

I am submitting herewith, a brief report on the St. James, C & R and Phoenix Groups in the Beaver Mining District of Shoshone County, Idaho; together with my opinion of the proposed development program.

This report is accompanied by a map showing the salient features therein.

In a report of this kind it is always well to know the sources and reliability of the information contained therein and due credit should be given to those whose work preceded my own.

Professional paper #62 U.S.G.S. by F. L. Ransome and F. C. Calkins is the standard work outlining the Geology of the Coeur d'Alene District and is the basis for the Geology in all reports of this type in this District. This has been supplemented by U.S.G. Bulletin #732, Geology and Ore deposits of Shoshone County, Idaho, by J. B. Umpleby. For a more technical discussion of the Ore Occurrences in this District, the reader is referred to these Standard works.

I have also been fortunate in having access to reports made on these properties by Mr. Julius P. Hall, now deceased, who was a well known Mining Engineer, long familiar with the problems of the Coeur d'Alenes and a man of recognized ability and integrity.

My own experience in the Coeur d'Alene District extends over a period of twenty-five years. It was my good fortune to be with the Day Organization and to become intimately acquainted with the surrounding operations as well as with the territory under discussion. I have drawn heavily on my past experience underground as an engineer and operator in this district, supplemented by surface work, in drawing conclusions and making recommendations on this project.

Hoping that this report gives you the data you need, I am

Sincerely yours

WM. H. SIMONS

Mining Engineer

REPORT

PROPERTY:

This property consists of the St. James Group of two patented claims, the C & R group of ten patented claims and the Phoenix group of twelve unpatented claims.

LOCATION:

These properties are located on the North Side of the Divide that extends South East from Sunset Peak, in the Beaver Mining District, Shoshone County, Idaho.

The Sunset Mine on Sunset Peak is about one-half mile to the Northwest and the Ambergris Mine is about one-fourth mile to the Southwest.

The properties lie on the Cedar Creek watershed.

GENERAL MINING FACILITIES:

These properties lie in the Heart of the Coeur d'Alene District, which is noted for the completeness of its facilities for economic mining.

Electric power is available in whatever quantities are necessary and has been brought to the portal of the proposed tunnel and a transformer station installed.

A road has been built from the Interstate Callahan Mine, a distance of one and one-half miles. From there, first-class highways are available throughout the District.

Railway facilities are available with a loading station at Bom, some four miles by road from the portal of the proposed tunnel.

Smelting facilities are available at the Bunker Hill and Sullivan Smelter and Electrolytic Zinc Plants at Kellogg, a distance of about twenty miles from the property, and other Smelting Plants throughout the Northwest can be reached by rail.

Numerous supply companies, serving the large Mines of the District have headquarters in Wallace and Kellogg, so that mining equipment and supplies are available out of their stocks.

Within trucking distance are several Mills that will accept ore for milling at reasonable rates on a custom basis. This is a decided advantage to a property in the process of development, between the time they start the mining of their ore bodies and the time when they have sufficient ore reserves blocked out to warrant the construction of their own milling facilities.

GENERAL MINING FACILITIES: continued

Being in the heart of a well established mining District, the supply of available skilled labor is of particular importance to an operation of this character.

The property has already had installed at the portal of the proposed new crosscut tunnel, a Bunk House, Compressor House, 75 H.P. 360 cubic foot Compressor, fully equipped Blacksmith Shop, and has on hand, a substantial quantity of pipe and rails and mining equipment.

There is sufficient Timber and Water available on the property for a fair size operation.

GENERAL)
GEOLOGY)

There is no object in describing the general Geology of the Coeur d'Alenes in a report of this kind. This has been fully covered in the U.S.G.S. Professional Paper #62 by F. L. Ransome and F. C. Calkins supplemented by bulletin #732 of the U.S.G.S. by J. B. Umpleby, and reference is made to these reports.

It is sufficient to say that, in the Belt Series, as described by these aforementioned Authorities, the main producers of the more than a Billion Dollars of the ore that has been produced in the Coeur d'Alenes, has been developed within range of the structure between the upper Prichard and the Wallace formations, as outlined therein.

Such famous long life Mines as the Morning, Hecla, Star, Hercules, Sherman, Tamarack and Custer, Standard-Mammoth, Dayrock, Sunshine, Bunker Hill and Sullivan and numerous others have been developed within this zone. These structures are recognized in the Coeur d'Alenes as the Host Rock for the mineral deposits of this District.

The Monzonites, which have been intruded into these structures are recognized as the origin of the Thermal Solutions that were the sources of the mineralization which resulted in these Ore Depositions.

It is noteworthy that such famous producers as the Tamarack and Custer, Sherman, Hercules, Ambergris, Interstate Callahan, Success, Sunset and several others occur within a short distance of the perimeter of the Monzonite batholith which is exposed on the west end of the property under discussion and whose outline is shown by the dotted line on the accompanying map.

The prevailing formation east of the Monzonite is known as the Burke Quartzite.

VEINS, ORE BODIES and PRESENT DEVELOPMENT:

At least one main vein structure crosses this property. This vein has been traced for several miles northwest of the property and on it have been opened up such important ore bodies as the Silver Tip and the Sunset.

Entering the property on the northwest side, it strikes south 50 E. and dips slightly to the south cutting the formations for a distance of approximately 7000 feet within the properties under discussion.

The outcroppings and underground exposures show the vein to be up to 20 feet in width and well mineralized with black oxide of iron and a fair showing of galena and sphalerite.

This vein has been opened up by numerous surface cuts and in at least four places by tunnels but insufficient lateral drifting has been done in each case to open up the vein for exploration purposes.

This work was all done from the Cedar Creek side which makes transportation difficult and operating expensive, particularly in the Winter time.

PROPOSED EXPLORATION:

It is proposed to drive a tunnel from the East Fork of Nine Mile Creek. This tunnel will cut the vein at about 3000 feet and about 500 feet below the outcropping on the C & R Group which is the strongest showing opened up on the property.

This tunnel will make possible a year around and a much more economical operation than could be obtained from the Cedar Creek side. This is good mining practice.

To carry out this program, an easement for the tunnel together with mining rights for 500 feet each side of the tunnel, from the tunnel level to the surface, was obtained from the Day Mines Inc.

CONCLUSIONS:

I believe that the cost of developing this vein both laterally and at a depth is fully warranted and under present circumstances the proposed method is the proper one to employ.

WM. H. SIMONS

Mining Engineer

Wallace, Idaho
March 15th, 1951

SUMMARY

After a thorough study of the data available on the St. James, C & R and Phoenix Groups, I recommend the expenditure of the necessary funds for their exploration through the proposed low level crosscut tunnel, because of the following favorable conditions:

- A: Geologically, it has all of the structural elements necessary to create an ore body, as shown by the experiences in the other near-by producing Mines of this District.
- B: It has a definite vein system, containing values in silver, lead and zinc.
- C: Its proximity to producing mines, whose vein systems apparently extend into this property.
- D: The present workings are so situated that considerable advantage can be derived from work done in the past and the location, timber, water, and other advantages such as Highways, Power Lines, Smelters and Custom Mills make possible Economical Mining.
- E: The handling of this development will be in the hands of men who are thoroughly capable of handling all phases of a project of this magnitude.

Signed by WM. H. SIMONS

Mining Engineer



UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON, D.C.
No. 157 Howard Street
Box 600 L, Washington

October 31, 1955

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

Re: Locket No. 252-2532 (Lead-Ins)
North Fork Mining Company
Lucky Strike & Lake Creek Prospects
Blaine County, Idaho
Contract No. 122-470

Dear Mr. Selfridge:

Enclosed are four copies of the field team final report on the Lucky Strike and Lake Creek Prospects written by Eric C. Erickson, Mining Engineer, Bureau of Mines, and George A. Fryklund, Jr., Geologist, Geological Survey.

The authors state that the project was unsuccessful and that a certification of discovery or development is not recommended. They also state that the geological probability of making a significant discovery is very remote and therefore Government participation in further exploration is not warranted.

By Field Team, Region I, District

George A. Fryklund, Jr., Geologist
Bureau of Mines, Geological Survey

William H. Moore, Member
Bureau of Mines

Enclosures

cc: GPM(2)

G.A.F.(2)

Fryklund ✓

So. 157 Howard Street
Spokane 4, Washington

DMA 2113

November 2, 1951

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: DMA-2113
Sunrise Silver-Lead Corp.
Shoshone County, Idaho

Dear Mr. Lyon:

The subject property has been discussed with the applicant, Mr. Stanley Evans. A field examination has been made and a report is pending.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

*Katharine
is part of the status of
this document
Ollie*

OCT 26 1951

Re: DMA-2115

Mr. Stanley Evans, President
Sunrise Silver-Lead Corporation
223 Rookery Building
Spokane 1, Washington

Dear Mr. Evans:

Mr. A. E. Weissenborn, Executive Officer, DMA Field Team South 157 Howard Street, Spokane 3, Washington, has informed us that he has retained a copy of your application and supporting data in his office and that a field examination of your property in Shoshone County, Idaho, will be made at their earliest convenience.

Any cooperation you can extend to Mr. Weissenborn or his representatives will be appreciated.

Very truly yours,

SIGNED
Tom Lyon, Director
Supply Division

EJLyon:emp
10-22-51

- Copies to: A. E. Weissenborn Region II (2)
- Chief, Lead-Zinc Branch
- E. T. McKnight 4204 GSA
- O. M. Bishop
- Directors r. files 4214 GSA
- Br. r. files 4214 GSA
- Administrators r. files
- DMA docket files

10/23

Memorandum

Re: Docket DMA-2113
Sunrise Silver-Lead Corp.
Shoshone, Idaho
Exploration loan, \$50,000
Lead, zinc, silver

To: Reports and Records Unit
Administrative Management Div.

From: Chairman, Coordinating Committee

Subject: Referral of application for exploration loan to field team.

The application of the Sunrise Silver-Lead Corporation of Spokane, Washington, is attached hereto.

One copy of the application and supporting data was retained in the field office to facilitate an early field examination. The remaining copies are transmitted herewith for your files until the report of the field team is received.

The following material is attached:

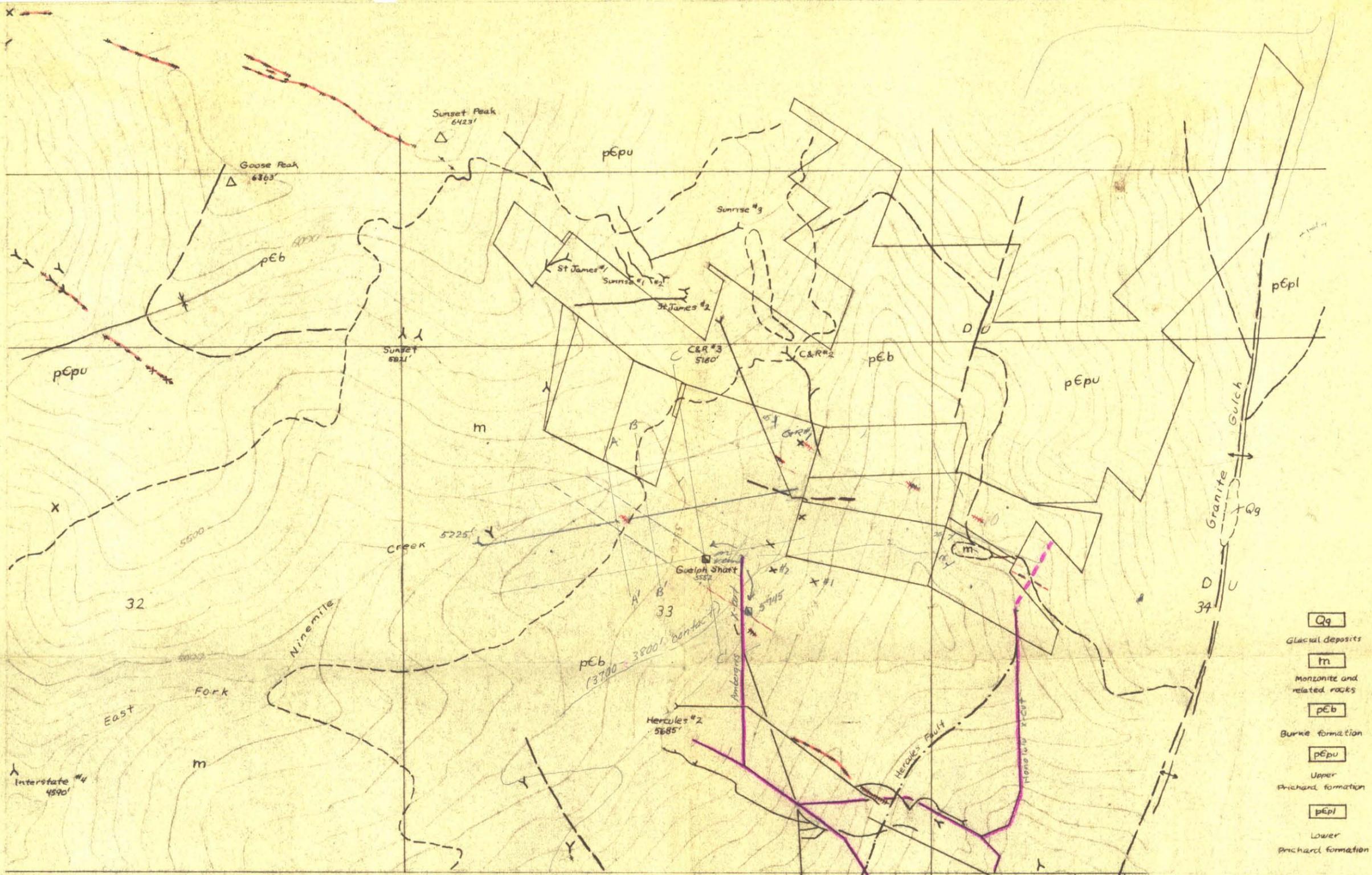
- 3 copies of Form MF-103 with 1 copy of Lease and Agreement.
- 1 copy of Form MF-100
- 1 " " report by W. H. Simons
- 1 " " " " J. P. Hall

Tom Lyon, Chairman
Coordinating Committee

for Bureau of Mines

for Geological Survey

EJLyons:emp @ 10-17-51
Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

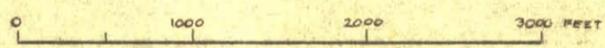


MAP OF
SUNRISE SILVER-LEAD CORPORATION

PROPOSED EXPLORATION PROJECT AND VICINITY
 SHOWING
 GEOLOGY, CLAIMS, AND WORKINGS
 SHOSHONE COUNTY, IDAHO

BY H. CRAINEY USGS
 NOV. 1951

GEOLOGY BY A. B. GRIGGS CLAIM LOCATIONS FROM MAPS
 USGS BY W. H. SIMONS

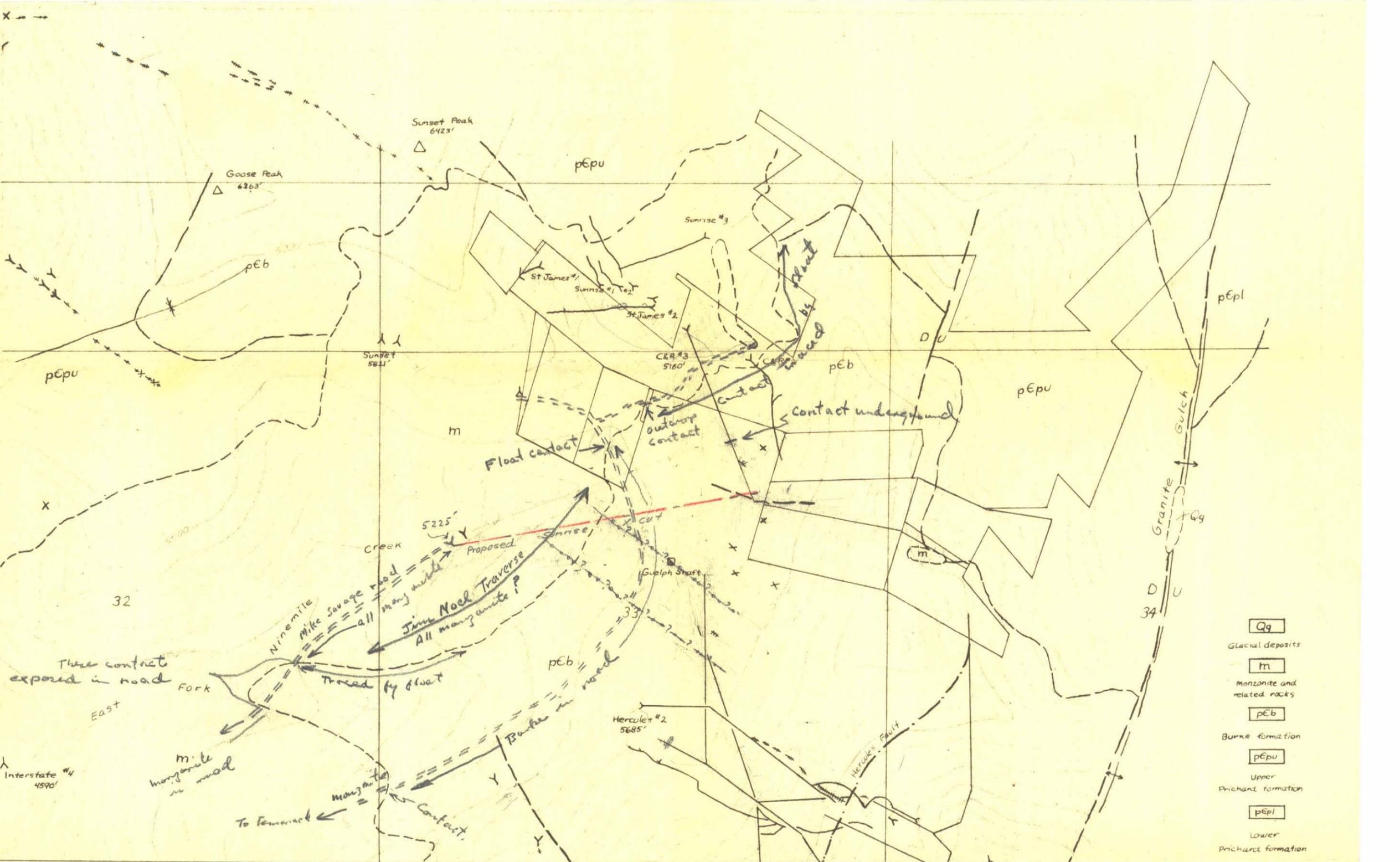


CONTOUR INTERVAL 100'

- Qg Glacial deposits
- m Monzonite and related rocks
- pEb Burke formation
- pEpu Upper Prichard formation
- pEpl Lower Prichard formation

- Dashed where approximately located
- Undefinite
- CONTACTS**
- D, downthrown side
- U, upthrown side
- Projected up dip from underground
- HIGH ANGLE FAULTS**
- Syncline
- Anticline
- Projected up dip from underground
- Exposed on surface
- VEINS**
- Shaft
- Prospect
- Portal
- Mine workings and elevation

EXPLANATION



MAP OF
SUNRISE SILVER-LEAD CORPORATION

PROPOSED EXPLORATION PROJECT AND VICINITY
 SHOWING
 GEOLOGY, CLAIMS, AND WORKINGS
 SHOSHONE COUNTY, IDAHO

BY H. CRAINEY USGS
 NOV. 1951

GEOLOGY BY A. B. GRIGGS USGS CLAIM LOCATIONS FROM MAPS
 BY W. H. SIMONS

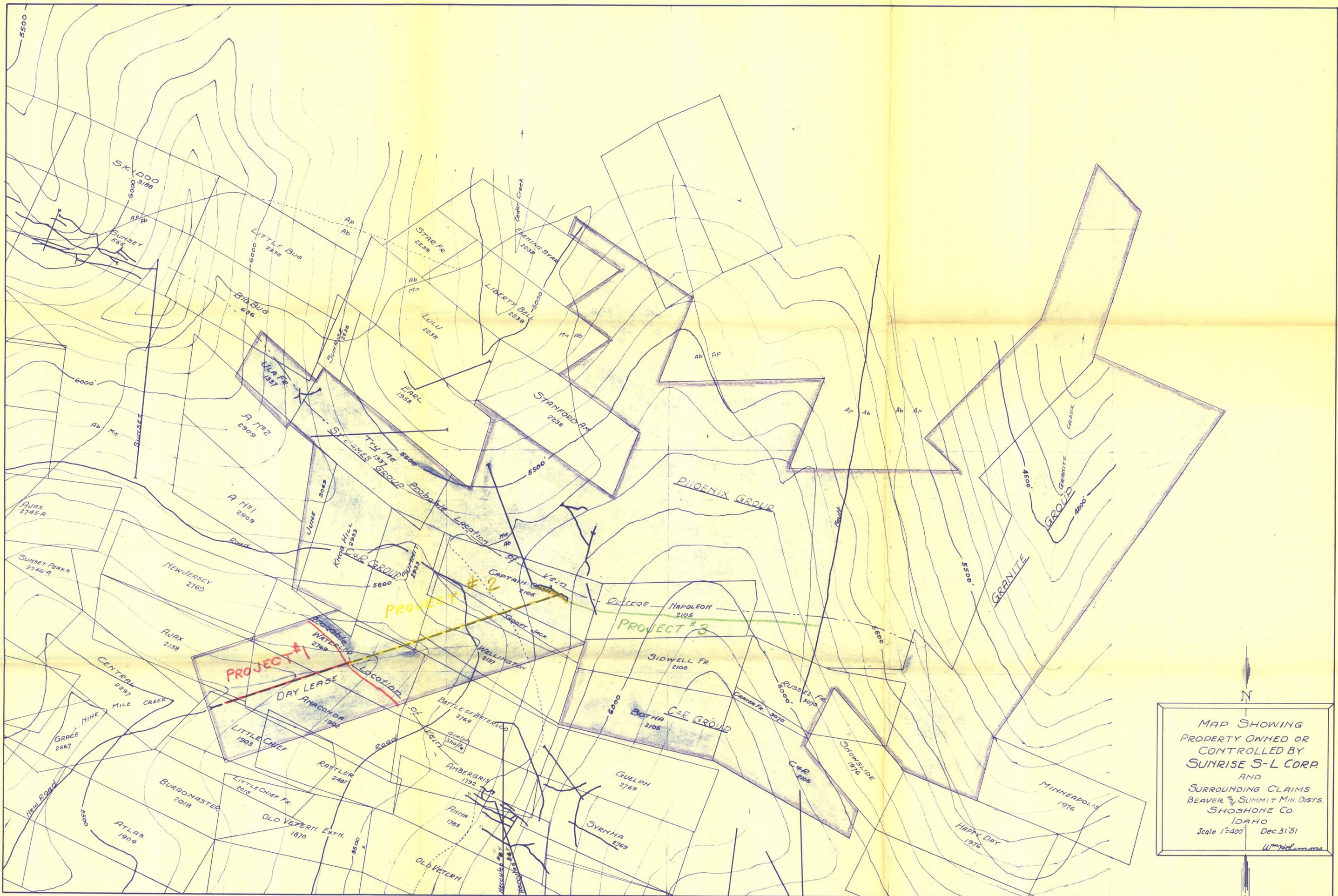
A - mapped to here
 Hercules #4 level

0 1000 2000 3000 FEET

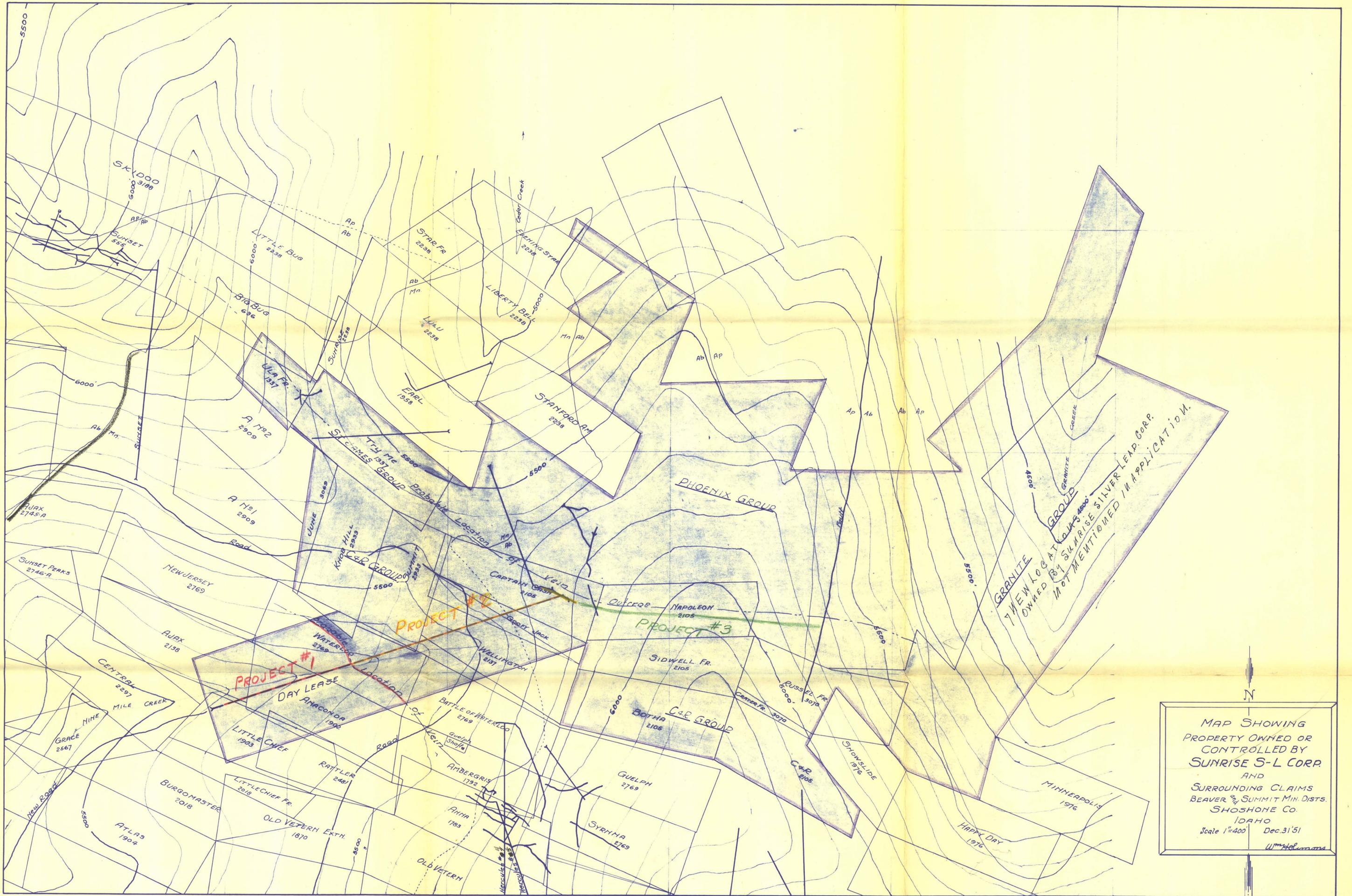
CONTOUR INTERVAL 100'

- | | |
|----------|--|
| | Dashed where approximately located |
| | Indefinite |
| CONTACTS | |
| | D, downthrown side
U, upthrown side |
| | Projected up dip from underground |
| | Syncline |
| | Anticline |
| | Projected up dip from underground |
| | Exposed on surface |
| VEINS | |
| | Shaft |
| | Prospect |
| | Portal |
| | Mine workings and elevation |

EXPLANATION



MAP SHOWING
 PROPERTY OWNED OR
 CONTROLLED BY
 SUNRISE S-L CORP.
 AND
 SURROUNDING CLAIMS
 BEAVER & SUMMIT MIN. DIST.
 SHOSHOE CO.
 IDAHO
 Scale 1"=400' Dec. 31 '51
 Wm. Holman



MAP SHOWING
 PROPERTY OWNED OR
 CONTROLLED BY
SUNRISE S-L CORP
 AND
 SURROUNDING CLAIMS
 BEAVER & SUMMIT MIN. DIST.
 SHOSHOHE CO.
 IDAHO
 Scale 1"=400' Dec. 31 '51
 W. H. Holman



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

FILE COPY
SURNAME:
JB

Keating
Selfridge
Wittensdorf

JUL 16 1953

Mr. A. E. Weissenborn
Executive Officer
DMM Field Dean, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Pocket No. 1110-2119 (lead-zinc)
Sunrise Silver-Lead Corporation
Sunrise Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

In a letter from this office dated June 8, 1953, Mr. Stanley Evans, President of the subject corporation, was advised that their application was being reactivated by reason of the modifying directive of June 1, 1953. We asked that if the company was no longer interested in pursuing the application, we be notified.

In response to our letter, Mr. E. S. Shewgo, who signs as resident, has advised us that the company wishes the application cancelled.

This is to advise you that the application is being cancelled and the file closed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

(JB)

APPROVED:

AGKeating/jh
7/13/53

MDS
7-16-53

cc. to: Docket
Adm. Reading File
Oper. Comm.
Base Metals
Chron.
Messrs. Bishop
Kinkel

J. H. Hodges

Member, Bureau of Mines *(JB)*

A. R. Kinkel, Jr.

Member, Geological Survey *(JB)*



UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
RECEIVED

JUL 10 1953 *Thurs*

~~WASHINGTON D.C.~~

So. 157 Howard Street
Spokane 4, Washington

Keating
Betsy

July 7, 1953

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

Re: Docket No. DMA-2113 (Lead-Zinc)
Sunrise Silver-Lead Corp.
Sunrise Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Your letter of June 25 calls attention to an application which apparently has not been formally removed from the active files.

We had several discussions with the applicant or, better stated, applicants, as there were a group of interested persons. The property is not too promising in our judgment, although it does present some exploration possibilities and might be worth some additional work. However, the applicant's proposal is to explore the Sunrise vein by means of a long crosscut tunnel from the south side of the mountain. This tunnel would reach the vein at a point about 30 feet above an existing tunnel driven from the north side of the mountain. We told the applicant that we might consider some exploration work from the existing tunnel but that we could not justify driving the new tunnel for this purpose. The applicants were insistent that they must drive the new tunnel because this would give much better access to the ore body, particularly in winter when heavy snows block the road to the existing tunnel. We admitted that this was probably true and that if they once brought the mine into production, they might require the new tunnel; but we stated rather firmly that we would not, under the circumstances, be able to consider the driving of a new tunnel for purposes of exploration.

There was to be further discussion of this, but we have not heard from the applicant since, and I think it is safe to assume that the application is dead. However, we should have closed the docket by formal letter to you denying the application, but in the press of more important activities, we overlooked doing this. Under the circumstances, therefore, I recommend no further action as I doubt if any acceptable application would come from the Operators, and I believe that they themselves consider it dead.

Sincerely yours

Thor H. Nilsgaard

FOR:

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

*Letter of 7/10/53 to Selfridge
Contract awarded and
file closed.
K*

cc: USBM (2)
Quinlan



UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.
So. 127 Howard Street
Spokane 4, Washington

OFFICE OF THE DIRECTOR
Defense Minerals Administration
RECEIVED

JUL 13 1953

July 7, 1953

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

Re: Docket No. DMA-2113 (Lead-Zinc)
Sunrise Silver-Lead Corp.
Sunrise Mine
Shoshone County, Idaho

Dear Mr. Selfridge:

Your letter of June 25 calls attention to an application which apparently has not been formally removed from the active files.

We had several discussions with the applicant or, better stated, applicants, as there were a group of interested persons. The property is not too promising in our judgment, although it does present some exploration possibilities and might be worth some additional work. However, the applicant's proposal is to explore the Sunrise vein by means of a long crosscut tunnel from the south side of the mountain. This tunnel would reach the vein at a point about 30 feet above an existing tunnel driven from the north side of the mountain. We told the applicant that we might consider some exploration work from the existing tunnel but that we could not justify driving the new tunnel for this purpose. The applicants were insistent that they must drive the new tunnel because this would give much better access to the ore body, particularly in winter when heavy snows block the road to the existing tunnel. We admitted that this was probably true and that if they once brought the mine into production, they might require the new tunnel; but we stated rather firmly that we would not, under the circumstances, be able to consider the driving of a new tunnel for purposes of exploration.

There was to be further discussion of this, but we have not heard from the applicant since, and I think it is safe to assume that the application is dead. However, we should have closed the docket by formal letter to you denying the application, but in the press of more important activities, we overlooked doing this. Under the circumstances, therefore, I recommend no further action as I doubt if any acceptable application would come from the Operators, and I believe that they themselves consider it dead.

Sincerely yours

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

cc: USEM (2)
Quinlan



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

500
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

JUL 10 1953

JUN 8 1953

Mr. Stanley Evans, President
Sunrise Silver-Lead Corporation
223 Rookery Building
Spokane 1, Washington

Re: Docket No. DMA-2113 (Lead-Zinc-Silver)
Sunrise Silver-Lead Corp.
Sunset Mine
Shoshone County, Idaho

Dear Mr. Evans:

On May 18, 1953, you were informed that a restricted program directive had obliged this Administration to deny your application for Government assistance in an exploration project.

However, a modifying directive dated June 1, 1953 has given us authority to continue processing your application. Therefore, we are reactivating your case. If you no longer desire to pursue your application, kindly advise accordingly.

Sincerely yours,

Administrator

Please Cancel our application for a DMA loan as the Lead and Zinc prices are too low for us to operate.

Thank you

E. W. Shewey Pres.

Sunrise Silver Lead Corp.



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

FILE COPY
SURNAME: 500

Keating
Selfridge
J. H.
6-25-53
(JHB)

JUN 25 1953

Mr. A. E. Weissenborn
Executive Officer, Region II
DMA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMA 2113 (Lead-Zinc)
Sunrise Silver-Lead Corp.
Sunrise Mine
Shoshone County, Idaho

Dear Mr. Weissenborn:

This refers to your letter dated November 2, 1951, addressed to Tom Lyon, DMA, in which you inform him that the project had been discussed with the Applicant, a field examination made, and a report was pending.

Since the receipt of your letter, our files indicate that there has been no further action on this case.

Will you please advise us as to the present status of the application and if it has been or is to be withdrawn, so that we may finally dispose of the request and close our files.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

A. R. Kinkel, Jr.

Member, Geological Survey (JHB)

AGKeating/hmj
(6/23/53)

CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Chron.



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

JUN 8 1953

Mr. Stanley Evans, President
Sunrise Silver-Lead Corporation
223 Rookery Building
Spokane 1, Washington

Stewart

Re: Docket No. DMA-2113 (Lead-Zinc-Silver)
Sunrise Silver-Lead Corp.
Sunset Mine
Shoshone County, Idaho

Dear Mr. Evans:

On May 18, 1953, you were informed that a restricted program directive had obliged this Administration to deny your application for Government assistance in an exploration project.

However, a modifying directive dated June 1, 1953 has given us authority to continue processing your application. Therefore, we are reactivating your case. If you no longer desire to pursue your application, kindly advise accordingly.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold/hmj
(6/5/53)

CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Region II (2)
Mr. Kinkel
Mr. Bishop
Chron.

J.H.
6-8-53



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

FILE COPY
SURNAME:
500

pl

<i>Sunrise</i>

MAY 19 1953

Mr. Stanley Evans, President
Sunrise Silver-Lead Corporation
223 Rookery Building
Spokane 1, Washington

Re: Docket No. DME-2113 (Lead-Zinc-Silver)
Sunrise Silver-Lead Corp.
Sunset Mine
Shoshone County, Idaho

Dear Mr. Evans:

This is to inform you that, effective April 15, 1953, the commitment of funds allocated to the DMEA for exploration assistance under the Defense Production Act was restricted to certain specified metals and minerals still in short supply. Lead and zinc were not specified, and consequently were automatically removed from the list of metals or minerals eligible for exploration assistance.

I regret to advise you that, since your application relates to lead-zinc and was pending on the date of the restrictive order, we are without authority or funds to enter into a contract for exploration, and your application is accordingly denied. This action is taken without prejudice to the merits of your proposed project.

The staff of the DMEA wishes to express its appreciation for your interest in the exploration program and for your cooperation during the period your application has been under consideration.

Sincerely yours,

C. O. Mittendorf
CSJ

Administrator
mdl
5-19-53

WRGriswold/hmj (written 5/18/53)
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Region II (2)
Mr. Kinkel
Mr. Bishop
Chron.



BASE METALS BR.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

November 2, 1951

*DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
Nov 6 10 19 AM '51*

**DEPARTMENT OF THE INTERIOR
RECEIVED**

NOV 1 9 1951

**Defense Minerals Administration,
Production Expansion Division.**

Mr. Tom Lyon, Chairman
Coordinating Committee
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: DMA-2113 ✓
Sunrise Silver-Lead Corp.
Shoshone County, Idaho

Dear Mr. Lyon:

The subject property has been discussed with the applicant, Mr. Stanley Evans. A field examination has been made and a report is pending.

Sincerely yours,

A. E. Weissenborn x6

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

OCT 26 1951

Re: 100-2113

Mr. Stanley Evans, President
Cairns Silver-Lead Corporation
223 Hookery Building
Spokane 1, Washington

Dear Mr. Evans:

Mr. A. H. Weissenborn, Executive Officer, USA, Field Team
South 157 Howard Street, Spokane 3, Washington, has informed us that
he has retained a copy of your application and supporting data in
his office and that a field examination of your property in Blaine
County, Idaho, will be made at their earliest convenience.

Any cooperation you can extend to Mr. Weissenborn or his
representatives will be appreciated.

Very truly yours,

SIGNED
Special Agent in Charge
Supply Division

EJLyons:emp
G 10-22-51

- Copies to: A. H. Weissenborn Region II (2)
- Chief, Lead-Zinc Branch
- B. F. McKnight 4204 GSA
- C. H. Bishop
- Directors r. files 4204 GSA
- Br. r. files 4204 GSA
- Administrators r. files
- DEA docket files

10/23

Memorandum

Re: Docket DMA-2113
Sunrise Silver-Lead Corp.
Buckeye, Idaho
Exploration loan, \$50,000
Lead, zinc, silver

To: Reports and Records Unit
Administrative Management Div.

From: Chairman, Coordinating Committee

Subject: Referral of application for exploration loan to field team.

The application of the Sunrise Silver-Lead Corporation of Buckeye, Washington, is attached hereto.

A copy of the application and supporting data was retained in the field office to facilitate an early field examination. The remaining copies are transmitted herewith for your files until the report of the field team is received.

The following material is attached:

- 3 copies of Form SF-102 with 1 copy of Lease and Agreement.
- 1 copy of Form SF-120
- 1 " " report by W. H. Hanna
- 1 " " " " " H. E. Hall

W. A. Lyon, Chairman
Coordinating Committee

For Bureau of Mines

For Geological Survey

- WJL:emp G 10-17-51
- Copies to: S. E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. P. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

5



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

OCT 26 1951

Re: DMA-2113

a. z. e.

<i>Lyon (ETM)</i>
<i>McKnight</i>
<i>Wilson</i>
<i>Bishop</i>

Mr. Stanley Evans, President
Sunrise Silver-Lead Corporation
223 Rookery Building
Spokane 1, Washington

Dear Mr. Evans:

Mr. A. E. Weissenborn, Executive Officer, DMA Field Team South 157 Howard Street, Spokane 8, Washington, has informed us that he has retained a copy of your application and supporting data in his office and that a field examination of your property in Shoshone County, Idaho, will be made at their earliest convenience.

Any cooperation you can extend to Mr. Weissenborn or his representatives will be appreciated.

Very truly yours,

SIGNED

Tom Lyon, Director
Supply Division

87
10-26

EJLyons:emp
G 10-22-51

- Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Branch
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. files
DMA docket files



UNITED STATES
DEPARTMENT OF THE INTERIOR

350

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

OCT 23 1957

Memorandum

To: Reports and Records Unit
Administrative Management Div.

Re: Docket DMA-2113
Sunrise Silver-Lead Corp.
Shoshone, Idaho
Exploration loan, \$50,000
Lead, zinc, silver

From: Chairman, Coordinating Committee

Subject: Referral of application for exploration loan to
field team.

Att.

The application of the Sunrise Silver-Lead Corporation of
Spokane, Washington, is attached hereto.

One copy of the application and supporting data was retained
in the field office to facilitate an early field examination. The
remaining copies are transmitted herewith for your files until the
report of the field team is received.

The following material is attached:

- 3 copies of Form MF-103 with 1 copy of Lease and
Agreement.
- 1 copy of Form MF-100
- 1 " " report by W. H. Simons
- 1 " " " " J. P. Hall

H. W. St. Clair
for Bureau of Mines

I. P. Hayer
for Geological Survey

Tom Lyon
Tom Lyon, Chairman
Coordinating Committee



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

FILE COPY
SURNAME:

350

<i>Lyon (E. J.)</i>
<i>McKnight</i>
<i>Yellison</i>

Memorandum

To: Reports and Records Unit
Administrative Management Div.

Re: Docket DMA-2113
Sunrise Silver-Lead Corp.
Shoshone, Idaho
Exploration loan, \$50,000
Lead, zinc, silver

From: Chairman, Coordinating Committee

Subject: Referral of application for exploration loan to
field team.

The application of the Sunrise Silver-Lead Corporation of
Spokane, Washington, is attached hereto.

One copy of the application and supporting data was retained
in the field office to facilitate an early field examination. The
remaining copies are transmitted herewith for your files until the
report of the field team is received.

The following material is attached:

- 3 copies of Form MF-103 with 1 copy of Lease and
Agreement.
- 1 copy of Form MF-100
- 1 " " report by W. H. Simons
- 1 " " " " J. P. Hall

Tom Lyon, Chairman
Coordinating Committee

for Bureau of Mines

for Geological Survey

EJLyon:emp G 10-17-51

Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

Stanley Evans, President
Sunrise Silver-Lead Corporation
223 Rookery Building
Spokane 1, Washington

Subject: **Exploration**
Re: **DMA- 2113**

My Dear Mr. Evans

This will acknowledge receipt of your application dated
September 24, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number **DMA- 2113** and
referred to the **Lead-Zinc Branch**.

Kindly refer to **DMA- 2113** in any future correspondence relat-
ing to your application.

Sincerely yours,



Robert E. Adams, Chief
Reports and Records Unit

2463

OCT 2 1951 5



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

September 27, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1951

Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Sir:

Enclosed are three copies of forms MF-100 and MF-103 submitted by the Sunrise Silver-Lead Corporation, Shoshone County, Idaho. One copy of the application has been retained by this office to facilitate an early field examination.

Very truly yours,

Elton A. Youngberg

Elton A. Youngberg
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: U.S.B.M.

OFFICIAL FILE COPY

To	Init.	Date
350	<i>hll</i>	10-1-51
210		

MF-103 Should Be Filed With General Technical Data Form MF-100

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

OCT 1 1951

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

Not To Be Filled in by Applicant

Docket No. *DMA 2113*
Metal or Mineral _____
Date Received *10-1-51*
Amount \$ _____
Participation (Government %) _____

SUNRISE SILVER-LEAD CORPORATION

Name and
address of
applicant

223 ROBERTS BUILDING

SPOKANE 1, WASHINGTON.

Date *September 24, 1951*

If you have already filed MF-100, give date filed *to*, type of assistance requested *Loan or advance*
for exploration project pursuant to
Mineral Order 5, under Defense Production Act of 1950
DMA Docket Number (if available) _____ *New Application*

INSTRUCTIONS

--Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you

have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. When a question is inapplicable it should be so stated in the form. Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (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. *See Exhibit "A" attached hereto.*
- (b) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. *Covered by Exhibit "A"*
- (c) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. *As per Exhibit "A" attached; also as indicated by drawings on map attached hereto*
Note: (1) 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 (c) 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.
Same property - see map attached.
- (2) If applicant is not the owner of the property or if there are any liens, mortgages, encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. *Options and leases as per copies mailed Exhibit "A" and attached hereto.*
2. (a) What metals or minerals do you expect to find? *Lead, zinc, silver and*
- (b) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned. *General geology card on adjoining properties such as Hercules, Sunset and other well-known mines nearby.*

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

- 3. (a) Describe fully the proposed work and give the total cost of the project. **Tunnel work - cost, approximately \$50,000.00.**
 (b) State the time required to start the project and to complete it. **Now started - six months to complete.**
- 4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the location of the proposed exploration work as related to geologic features, such as contacts, veins, ore-bearing beds, etc. **See sketch attached.**
- 5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition. **Good mining equipment, just installed to complete this job.**
- 6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item. **One mucker - cost \$4,000.00; Cars and steel, \$2500.00.**
- 7. Furnish a detailed list of operating equipment, separated into items to be—
 - (a) Rented - **None**
 - (b) Purchased **Mucker - cars and steel**
 - (c) Furnished by you **We have one car - drill steel and other equipment listed.**
 with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.
- 8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each. **Foreman, who does all kinds of work, \$400.00 per month. Miners, muckers, etc. regular Coeur d'Alene wages. No other salaries.**
- 9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above. **Engineering, nominal; only few assays required; accounting, \$50.00 monthly; power, probably \$200.00 per month; so far furnished.**
- 10. (a) How much do you prepared to invest in the proposed project? **Will match Federal funds, or more.**
 (b) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO-5)? **Yes.**
- 11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

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.

SUNRISE SILVER-LEAD CORPORATION
(Name of company)

By *Stanley Evans*
(Signature of authorized official)
President.

September 24, 1951
(Date)

President.
(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.

(a) There has been a lot of work done on these properties on different levels, but it was decided to run one main tunnel cross-cutting all veins at a reasonable depth. The proposed tunnel is specifically shown on the attached map, shown by blue pencil lines and starting on the Day Mines property as indicated on map, and ultimately reaching this company's property at substantial depth as shown by said map.

Assessments have been obtained from Day Mines, Inc. and certain mining rights to a depth of 200 feet below the tunnel.

(b) This tunnel has already been started and substantial mining equipment installed and in operation, machinery and equipment described as follows:

75 horsepower Electric Motor, already in operation; 300 cu. ft. Compressor already in operation; Modern Blacksmith Shop installed; air lines; rails; pick-up truck; living quarters, and a Shop equipped to do the work contemplated. Also a mucking machine is now being arranged for.

A map is submitted herewith showing the portal of the tunnel already started on the east fork of Mine Mile Creek and proposed to reach at a greater depth of veins which are indicated by markings shown on the company's property near the end of the proposed tunnel and at a depth that will reasonably assure production.

Easements have been obtained on the properties of Day Mines, Inc. and also the right to mine on the Day Mines property down to a depth of 200 feet below the tunnel level.

For a more specific and detailed statement as related to geologic features, such as contacts, veins, ore-bearing zones, etc., we respectfully refer to what is known as the Hall and Strong Reports on the properties involved.

The Company is now well equipped for the project now contemplated, to-wit: 75 HP Electric Motor installed and in operation; 360 cu. ft. Compressor; Modern Blacksmith Shop; air lines; rails; pick-up truck; Living Quarters - all well-built and in good condition and ample to do the immediate work contemplated.

If Mr. Mike Savage, the experienced mining man who will have this work in charge, is properly financed, he will probably do the job for less than \$20.00 per foot. Mr. Savage is a competent mining man and has had a great deal of practical experience in developing large mining properties in the Coeur d'Alone Mining District, and will no doubt get as good, or better results, than any man who could be obtained for this job.

No rehabilitation or repairs, necessary.

The Plant is in good condition for efficient operations, and will soon be greatly improved by the installation of a modern latching machine.

A modern lifting machine is being planned for now at a cost of approximately \$1,000.00. Some additional cast and steel will be necessary at an approximate cost of \$2500.00.

- (a) Rented - No rentals contemplated.
- (b) Purchased - Machinery, cars, and steel.
- (c) Furnished by you - We have one car, drill steel and other equipment heretofore described.

Our machinery and equipment up to the present time is installed and paid for, but the truck, rails, and drill steel is being planned for.

Cost of our operations including machinery and equipment installed up to the present time will be shown by balance sheet by Public Accountant attached to this Application.

In our United States Corporation Income Tax Return for the calendar year 1950, we gave as capital assets, the following:

Capital assets:

(a) Depreciable assets - Mill equipment.....	\$10,084.87	
Mine Bldgs.....	1,207.61	
Truck.....	<u>1,650.00</u>	
Total depreciable assets.....	\$12,942.48	
Less: Reserve for Depreciation.....	<u>359.42</u>	\$12,635.06
(b) Depletable assets - Development cost... ..	2,146.00	
Less: Reserve for Depletion.....		2,146.00
(c) Land - Leaseholds.....		203.00
Other assets - Administration expenses.....	93.00	
Construction expenses.....	<u>909.75</u>	
		<u>1,052.75</u>
Total Assets.....		\$26,917.76

And on account of the fact that we have only recently started work on the tunnel, the status of the assets would be virtually the same now as they were when this Federal Income tax report was made. However, we feel that the assets as installed, and in good condition, are worth considerably more than the estimate. The good equipment is placed. This seems to be the best date we can give you on this subject.

Mike Savage will be the Manager. He is a first-class, practical mining man with a vast amount of experience in developing important properties in the Coeur d'Alene Mining District, and while he has had no salary up to the present time, he should be paid at least \$400.00 per month when finances are available.

Miners, smelters, etc. will be paid the Union scale of wages as from time to time prevail in this Mining District. No other salaries are contemplated until property is producing except a nominal amount of probably \$50.00 per month for bookkeeping, and incidentals.

While the Washington Water Power Company has been furnishing the power up to the present time without a charge, except for road easements and privileges when we do commence paying a regular charge for power, the price will be the regulated price as is customary for such utilities and a rough estimate would be approximately \$200.00 per month.

The overall cost of running this simple job would probably be around \$20.00 or less per foot.

Materials and supplies would be included in cost per foot.

Engineering has already been done. Amortizing will be nominal.

Accounting not exceeding \$50.00 per month.

Power which has been offset by right of way privileges up to the present time but will soon have to be paid at the usual utility rates and would probably run about \$100.00 per month.

Water is ample without cost.

(a) We have already furnished finances and machinery as heretofore described but we expect to comply with your regulations in matching Federal funds or more.

(b) Yes - this should be sufficient to find the ore in several veins at the depth reached by the tunnel planned and now being driven.

17 - 113 11.

For this simple project, it would seem to us that the information given should be sufficient except for the personal examination by your office.

GENERAL TECHNICAL DATA

NOT TO BE FILLED IN BY APPLICANT

FOR USE UNDER THE

Docket No. Amal 211.3

DEFENSE PRODUCTION ACT OF 1950

Date received 10-1-51

SUNRISE SILVER-LEAD CORPORATION

223 ROOKERY BUILDING

SPOKANE 1, WASHINGTON

September 24, 1951

Name and
address of
applicant

~~September 24, 1951~~

Date _____

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) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (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:

- Materials produced: **Lead, silver and zinc**
 - What are the chief mine, mill, or smelter products? **None**
 - What are the byproducts, if any?
- 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:
 - Linear feet of shafts. **300 feet**
 - Linear feet of drifts and crosscuts. **3,000 feet**
 - Linear feet of tunnels or adits.
 - Linear feet of other mine openings (explain briefly). **See engineer's re-port. Mine not flooded.**

Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
- For each operation listed above supply the following: **Good transportation to Wallace, Idaho**
 - Distance and direction to nearest town and shipping point. **Bozeman and Summit**
 - Mining district. **See descriptions in Options and Leases**
 - Township, Section, Range, and County. **Shoshone, Idaho.**
 - County, State.
- (a) State whether or not property is now in operation, and if in operation, by whom operated. **We are running tunnel**
 (b) Are you operating the mine? **IDW**
 - Owner. **We hold options and leases on property (see attached exhibits)**
 - Lessee. **We are our own contractor**
 - Contractor.
- Number of years in production _____ **All development work so far - production should begin at the first vein - at 1200 feet.**
 If not in production or operation, estimated date when production will begin _____
- Experience of operators: **Mike Savage is managing development - has had most experience in mining in this District.**
 Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who manage the project.
- History: **See reports and other data submitted.**
 - Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
 - State briefly the known history and production of adjoining and neighboring properties. **Hercules, Sunset, etc.**
 - Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. **See reports and other date**

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

LIFE INSURANCE CARRIED FOR BENEFIT OF APPLICANT *	Net Cash Surrender Value After Loans	NAME AND ADDRESS		OFFICIAL TITLE (If officer is also director indicate by "D.")	TOTAL OF ANNUAL SALARY, COMMISSIONS, BONUSES, ETC., RECEIVED FROM APPLICANT AND AFFILIATES DURING LAST FISCAL YEAR	ESTIMATED NET WORTH OUTSIDE OF APPLICANT AND AFFILIATES	NUMBER OF SHARES HELD IN APPLICANT CORPORATION	PREFERRED	COMMON	AMOUNT	LIFE INSURANCE CARRIED FOR BENEFIT OF APPLICANT *
		(a)	(b)								
		Stanley Evans	President	No Salary	\$20,000	200,000	None	\$5,000	15 yr. Pol.	Substantial	
		Ed L. White	Vice-President	No Salary	\$50,000	9,000	None	Substantial			
		Ralph Gerding	Sec-Treas	Salary	\$100,000	2,000	None	Substantial			
		Paul Hoerfel	Additional five large stockholders					Substantial			
		Wayne Kelley						Substantial			
		Dr. Galen Rogers						Substantial			
		Ernest Shargo						Substantial			
		TOTAL									

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

ITEM	AUTHORIZED	OUTSTANDING	PAR VALUE	NUMBER OF SHARES OUTSTANDING	DIVIDEND RATE LAST PAID*
(a)	(b)	(c)	(d)	(e)	(f)
Common stock	\$ 175,000	About	\$ 31,000	\$ 175,000	None (New Co.)
Preferred stock	\$ None	\$ None	\$ None	None	None

*Indicate period covered.

10. Production:

No Production yet

ITEM	KIND OF PRODUCT	1948 TOTAL	1949 TOTAL	1950 TOTAL	PRESENT AVERAGE MONTHLY
(a)	(b)	(c)	(d)	(e)	(f)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	None for sampling				
2. Quantity of product processed (specify unit of measure and type of process)	None for sampling				
3. Quantity and grade of product sold or shipped (specify units of measure)	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. See Exhibit attached.

(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. **See engineer's reports**
- (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: **No production yet**

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).....	No production yet				
Indicated (probable).....					

(c) If placer:

- Not 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: **Excellent accessibility to Wallace, Idaho.**

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

15. Power:

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

16. Labor: **75 horse power electric motor, just installed. Source - Washington Water Power Company. Do not know exact rate per hour yet.**

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

17. Equipment and Facilities: **Will use two crews - eight hours per day - regular Coeur d'Alone District wages.**

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.

electric motor, 75 horse power, 240 v. ac. compressor and other machinery that are not described above. No special machinery, living quarters - all ample to do job contemplated - installed this year. Nothing special - just a good decent operation.

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.

SUNRISE SILVER LEAD CORPORATION
(Name of company)

By *Stanley Evans*
(Signature of authorized official)

September 24, 1951
(Date)

President (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.

-- -- PRELIMINARY REPORT -- --

C. & R., PHOENIX and ST. JAMES PROPERTIES

TO WHOM IT MAY CONCERN:

Complying with the request of Mr. E. C. Outlaw, Secretary of the Boundary Consolidated Mining Company, I herewith submit the following preliminary report which is written from examinations made at different times during the past several years.

LOCATION:

These three properties are located north of the divide which extends easterly from Sunset Peak (Elev. 6424) Beaver Mining District, Shoshone County, Idaho.

The Sunset Mine (Owned by the estate of Ex-Senator Clark of Montana) is about nine miles northeast of Wallace by wagon road. From there it is one-half by trail to the St. James and C.& R. tunnels. The properties may also be reached by about one mile of trail from the Cedar Creek property.

TITLE AND CLAIMS:

The St. James consists of two claims held by the U.S. patent. The Phoenix and C.& R. consists of twenty some odd claims held by location under the mining laws of the United States.

TOPOGRAPHY:

The portals of the St. James and C.& R. lower tunnels are at the head of Cedar Creek, 3000 feet southeasterly and 1280 feet below Sunset Peak. The St. James tunnel extends westerly and the C.& R. tunnel southeasterly. Cedar Creek flows northerly along the west end line of the Phoenix property. The northwest corner of the Phoenix is approximately 2000 feet below Sunset Peak and extends southeasterly to at least 1500 feet above this point.

TIMBER AND WATER SUPPLY:

On these properties is sufficient good Mine timber to last for years. On Cedar Creek near the northwest corner of the Phoenix, water power for one or two air drills could be developed.

GEOLOGY:

The prevailing formation is what is locally known as the Burke quartzite with intrusions, on these and the adjoining properties, of Monzonite (Granite).

GEOLOGY: CONTINUED

The quartzite shows intense metamorphism, due to the intrusion of Monzonite.

The intrusions of igneous rock are of interest as having probably been concerned in the original ore deposition.

VEIN CHARACTERISTICS AND DEVELOPMENT:

Passing through Sunset Peak and cutting the formation, is an ore bearing fissure extending in a southeasterly direction through the St. James across the southwest corner of the Phoenix and for the full length of the C. & R. approximately approximately 7,000 feet along the apex or outcrop in these properties. Dip slightly south and strike N. 50° E. Width from 2 to 20 feet. Along the outcrop the vein filling is altered quartzite impregnated, in place, with monzonite (granite). The mineral is chiefly black oxide of iron with a fair showing of galena (lead with silver content) and spalerite (zinc blend). North and South faulting with no great displacement of the vein is noted in several places from Sunset Peak southeast.

In the No 1 St. James tunnel, at a depth of 90 feet, the vein is 12 feet wide with a good showing of lead, silver and zinc ore.

The time of my last visit, several years ago, the No. 1 C. & R. tunnel was caved. Above this tunnel the outcrop is stronger than at any other point in these three properties.

In the C. & R. No. 2 tunnel I was unable to reach the vein because of bad air. In the No. 3 tunnel the vein had not been reached at the time of my examination, but from the slips and the appearance of the rock, it should be only a short distance ahead.

Both the No. 2 and No. 3 C. & R. tunnels are started on Phoenix ground.

I understand that farther north a parallel vein shows on the Phoenix property. I have made no examination of this vein.

ADJOINING PROPERTIES:

The Sunset or Clark property to the northwest of the St. James on the same vein. In this property from the 1000 ft. level (1700 ft. below Sunset Peak) to the surface, I stated in a recent report that there was 91,700 tons of partly blacked out ore that would assay 3.7 oz. silver, 11.7% zinc and 7.1% lead. I figured a net profit of \$8.68 per ton or a total of \$795,956.00 net profit on this ore. I did not consider the 500,000 tons of possible ore above this level. This estimate was made after a personal examination several years ago and from a

study of the assay maps furnished me by the Clark-Montana Realty Company.

Down Cedar Creek and adjoining the Phoenix on the north, the Cedar Creek property has been under development for several years. This Company recently completed a 150 ton Mill and a few days ago began hauling concentrates to the railroad at Eagle.

To the south of the C. & R. the Guelph has been undergoing development for some time. To the south of the Guelph the Ambergris, owned by the Hercules Company, has been developed and mined from the lower levels of the Hercules. The Hercules workings enter the hill from Burke. This property, owned by the Days, has been one of the famous dividend payers of the Coeur d'Alene District.

South of the St. James and Sunset are the holdings of the Callahan Company. The lower workings of this company enter from the Nine Mile Canyon side of the hill. This property has been another famous dividend payer.

FUTURE DEVELOPMENT:

In considering this feature for the St. James, C. & R., and Phoenix properties, there are several possibilities that will require considerable study before deciding on the proper method of development. Some of these possibilities also depend on what arrangement may be made with the adjoining properties.

The vein may be cut 182 ft. below the 1000 ft. level of the Sunset property by driving a 4700 ft. crosscut from the No. 4 tunnel of the Callahan. This would give an outlet to the Callahan Mill at the portal of No. 4 tunnel. The Mill is connected by aerial tram to the railroad in Nine Mile Canyon.

Another possibility is through the Hummingbird tunnel of the Hercules Company. This tunnel enters the hill from Burke and extends in to the Ambergris Property. A 2000 ft. crosscut to the northeast should cut the vein at such greater depth than would a crosscut from the Callahan No. 4 tunnel.

Another possibility is by a 3400 ft. crosscut ~~from the northwest corner of the Phoenix property~~ southwesterly from the northwest corner of the Phoenix property. A crosscut from this point would cut the vein at a higher elevation than from the Callahan No. 4.

The vein may also be further developed from the No. 3 C. & R. tunnel at from 400 to 700 feet below the surface.

CONCLUSIONS:

The St. James, C. & R. and Phoenix properties are traversed for some 7000 feet by a strong fissure vein development of which shows commercial ore in several places.

Under no better blow-out than that on the C. & R. the Sunset Property to the northwest and on the same vein, has ore partly blocked out that should net not less than \$500,000.00. This is only a small item as compared to the possible profits that may be derived from the further development of this vein.

I believe that the cost of developing this vein at great depth in these properties is fully justified and will net a real profit on the investment.

Respectfully submitted,

JULIUS P. HALL

Mining Engineer

Wallace, Idaho

May 17, 1928

Wallace, Idaho
May 1, 1951

Mr. R. J. Waugh, President
Sunrise Silver-Lead Corporation
Bus Terminal Building
Spokane, Washington

Dear Mr. Waugh:

Phoenix Mining & Milling Co., Ltd.

This letter is written for the purpose of clearly outlining the terms and conditions of an agreement under which the Sunrise corporation may acquire the Phoenix group of 12 unpatented claims.

1. I will undertake immediately to have the Phoenix company re-instated under the laws of the State of Idaho, and new directors and officers elected so that the corporation is legally in a position to do business.
2. When this task is completed, as majority shareholder, I will have the Phoenix company give the Sunrise Corporation an option to purchase the 12 unpatented Phoenix claims on or before September 1, 1953, for \$25,000, cash.
3. Your company is to meet the expenses as they occur or have occurred of reinstating, auditing the financial books and stock records, and the costs of levying a small assessment and related expenditures estimated at \$500 to \$600.
4. This will acknowledge receipt of your check for \$203 which is the reinstatement fee for the Phoenix company that must be paid immediately to the Secretary of State.
5. Your company agrees to perform the assessment work and file Proofs of Labor on the 12 unpatented claims during each of the fiscal years ending July 1, 1951; July 1, 1952; and July 1, 1953.

An extra copy of this letter is enclosed. If you will kindly sign, date, and return one copy of this letter to me, I will proceed immediately with the program outlined heretofore.

Very truly yours

s/s MARY G. EBBLEY

Accepted and agreed to:

Sunrise Silver-Lead Corporation

By s/s W. J. Waugh
President

May 1, 1951

Wallace, Idaho
August 5, 1950

Mr. M. L. Savage, Manager
Sunrise Silver-Lead Company
Samuels Hotel
Wallace, Idaho.

Dear Mr. Savage:

Phoenix Mining & Milling Co.

This letter is written for the purpose of clearly outlining the terms and conditions of an agreement under which the Sunrise company may acquire the Phoenix group of 12 unpatented claims.

1. I will undertake immediately to have the Phoenix corporation reinstated under the laws of the State of Idaho, and new directors and officers elected so that the corporation is legally in a position to do business.
2. When this task is completed, as majority shareholder, I will have the Phoenix company give the Sunrise corporation an option to purchase the 12 unpatented Phoenix claims on or before September 1, 1953, for \$25,000, cash.
3. Your Company is to meet the expenses as they occur or have occurred of reinstating, auditing the financial books and stock records, and the costs of levying a small assessment and related expenditures estimated at \$500 to \$600.
4. This will acknowledge receipt of your check for \$203 which is the reinstatement fee for the Phoenix company that must be paid immediately to the Secretary of State.
5. Your Company agrees to perform the assessment work and file proper Proof of Labor for the fiscal year ending July 1, 1950, on or before October 1, 1950; and also to perform the assessment work and file Proofs of Labor on the 12 unpatented claims during each of the fiscal years ending July 1, 1951; July 1, 1952; and July 1, 1953.

An extra copy of this letter is enclosed. If you will kindly sign, date, and return one copy of this letter to me, I will proceed immediately with the program outlined heretofore.

Very truly yours,

s/s MARY G. EBBLEY

Accepted and agreed to:

Sunrise Silver-Lead Company

By s/s M. L. Savage
Manager

August 5th, 1950.

ROBERT F. DWYER
Lawyer
Wallace, Idaho.

June 1, 1951

H. J. Waugh, President,
Sunrise Silver-Lead Corporation,
Bus Terminal Building,
Spokane, Washington.

Dear Sir:

The following is a list of the unpatented mining claims
of the Phoenix Mining & Milling Company, Ltd., situated in
Summit Mining District:

Phoenix,
Phoenix No. 1,
Phoenix No. 2,
Phoenix No. 3,
Phoenix No. 4,
Phoenix No. 5,

Agnes,
Oregon,
Hemlock,
Edna,
Inez,
Phoenix Fraction.

Yours very truly,

s/s Robert F. Dwyer
Attorney for Phoenix Mining & Milling
Company, Ltd.

RPD:KAE

THIS INDENTURE made this 1st day of May, A. D. 1951, between C. & R. MINING COMPANY, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSOR, and SUNRISE SILVER-LEAD CORPORATION, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSEE,

WITNESSETH:

That the said Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by said Lessee to be kept and performed, has granted, demise and let, and by these presents does grant, demise and let unto said Lessee all the following described mining property located in Beaver and Summit Mining Districts, Shoshone County, Idaho, to-wit:

ALL those portions of any vein or veins discovered in the C. & R. group of mining claims to a depth of 200 feet below the level of the tunnel to be driven by Lessee at an elevation of 5,250 feet and also all those portions of any vein or veins discovered in said group of mining claims above the level of the said tunnel or crosscut to be driven by said Lessee, which said group consists of the following:

JUNE, U.S.M.S. #3069; KNOB HILL, U.S.M.S. #2933;
SUMMIT, U.S.M.S. #2933; CAPTAIN CASH, U.S. M.S. #2105;
NAPOLEON, U.S.M.S. #2105; SIDWELL FRACTION, U.S.M.S.
#2105, BOTHA, U.S.M.S. #2105; CRATER FRACTION, U.S.M.S.
#3070; and RUSSELL FRACTION, U.S.M.S. #3070;
C. & R., U.S.M.S. #2105.

TO HAVE AND TO HOLD unto said Lessee for a period of twenty (20) years after the date of this lease. If said Lessee shall operate said property and premises under the terms of this lease, after its expiration, by and with the consent of the Lessor, either party may terminate this lease by giving twenty (20) days' written notice of intention to terminate the same. Such notice may be served upon anyone of the officers of the Lessee or upon the manager of the Lessor, or it may be deposited properly addressed to the party to receive same in the United States Post Office, postage prepaid, and the time of final termination of this lease shall begin to run with the date of the notice so served. This lease may be sooner forfeited or terminated through the violation of any covenant hereinafter against said Lessee or Tenant reserved.

In consideration of said demise Lessee does covenant and agree with the Lessor as follows, to-wit:

1. That the Lessee herein is an independent contractor and there shall be no privity of contract between the Lessor and employees or sublessees of the Lessee. All such employees or sub-lessees, whether on a wage or profit-sharing basis, shall be selected by the Lessee, hired by Lessee, directed by Lessee and paid by Lessee, and that subject only to the specific limitations herein set out, Lessee shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

2. That during the term of this lease or any extension thereof, the Lessee shall cause the leased premises to be worked with reasonable diligence; and by the term "reasonable diligence" as used herein, the parties agree that six hundred (600) shifts of work per twelve months period during the term hereof shall constitute prima facie evidence of such reasonable diligence; which said work requirement shall be performed outside the boundaries of the premises herein leased, until the crosscut

to be driven by Lessee has been extended into said leased premises at which time said required work shall be performed within the premises herein leased; that Lessee will perform all work in said demised premises in miner-like manner and in accordance with the mining laws of the State of Idaho and such rules and regulations as have been or may be issued by the Industrial Accident Board of Idaho or the State Mines Inspector. All openings shall be maintained in accordance with the standards established by such rules and regulations and shall be kept thoroughly drained and clear of loose rock and rubbish and obstruction, unless prevented by extraordinary mining casualties.

3. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased.

4. That the Lessee will, at its own expense, carry Workmen's Compensation Insurance and Occupational Disease Compensation Insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho in aid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessor with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workmen's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Lessor the evidence of the compliance with said law and the payment of premiums due on such policies.

5. That the Lessee will pay any loss or expense resulting from any shipment of ores the proceeds of which are not sufficient to meet all freight, smelter or other costs or charges in connection therewith.

6. That there is reserved to the Company the right to enter upon the leased property for the purpose of inspection of the work, of surveying, sampling and checking upon compliance with the safety rules and regulations.

7. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by Lessee under lease from the Lessor, and that the Lessee and not the Lessor is liable for all labor performed and supplies and other material used by Lessee in and upon the demised premises, and that the Lessee and not the Lessor shall be responsible for all debts and expenses incurred in the mining operations in or upon the demised premises.

8. That the Lessee will hold the Lessor harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessor 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, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee or otherwise, and to defend the Lessor at its own cost and expense from such liability or asserted liability.

9. That the Lessee will not assign or sublet this lease, or any interest therein, or the premises affected thereby, or any portion thereof, without the written consent of Lessor, nor allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

10. That as further consideration for this agreement the Lessor shall have permission, and is herewith granted permission by the Lessee to use a crosscut or tunnel to be constructed by said Lessee together with the tracks, trolley wires, air pipe, and all fixtures and equipment situate in said tunnel so long as Lessor's use does not interfere with the operation of the Lessee.

11. That all ores won from the demised premises by said Lessee shall be shipped in the name of the Lessor to the smelter or smelters offering the best terms. The Lessor shall deduct as royalty $12\frac{1}{2}$ per cent of the net smelter returns plus $12\frac{1}{2}$ per cent of any subsidies and/or premiums paid by any Federal Agency for copper, silver, lead and zinc production. The Lessor shall pay to said Lessee eighty-seven and one-half ($87\frac{1}{2}$) per cent of the net smelter returns of all ores shipped, calculated as hereinbefore stated, and eighty-seven and one-half ($87\frac{1}{2}$) per cent of any premiums paid by any Federal Agency for copper, lead, silver and zinc production.

The net smelter returns are defined as the smelter schedule per dry ton for concentrates or crude ore, less smelter treatment charges and penalties, transportation of such concentrates or crude ore by truck or railroad to the reduction plant, control assaying and sampling charges.

12. That the Lessee will furnish at its own cost all labor, all operating supplies and equipment required in doing said work.

13. That upon violation of any of the covenants or agreements of this lease by Lessee, the term of this lease shall, at the option of Lessor, terminate and expire, and the lease and leasehold rights of the Lessee in the premises shall be forfeited, if such default or violation shall continue at the expiration of thirty (30) days next after Lessor shall have given to Lessee written notice of such violation or default, and demand for possession of the leased premises because thereof, Lessee being given said thirty days' time to overcome the cause of such forfeiture by full compliance with the violation violated covenant or agreement, and if such cause be not so overcome at the expiration of said thirty days' time, without further demand or notice, Lessor, by its agents or attorneys, may enter upon the leased premises and dispossess all persons occupying the same.

14. That all operations shall be conducted in a safe and prudent manner; and it is agreed that should any dispute arise between the Lessor and Lessee regarding the conduct of operations in a safe and prudent manner, such dispute shall be determined by the Lessor and the judgment of the Lessor prevail.

15. That no officer or employee of Lessor shall be interested in or participate in the profits derived from this lease.

16. That this lease applies only to ore bodies, veins, or ledges within the property owned by or controlled by the Lessor, and in no event or circumstance shall the Lessor be held liable if Lessee's operations continue beyond the outside boundaries of the leased property herein described.

17. This lease shall be binding upon and inure to the benefit of the successor and assigns of Lessor, and the successors and assigns of Lessee.

IN WITNESS WHEREOF, the Lessor has caused these presents to be signed by its Vice-President and Secretary, and the Lessee has caused these presents to be signed by its President and Secretary the day and year first above written.

ATTEST:

Secretary

ATTEST:

Larry L. Lincoln
Secretary

C. & R. MINING COMPANY
By F. M. ROTHROCK
Vice-President
LESSOR

SUNRISE SILVER-LEAD CORPORATION
By H. J. WAUGH
President

LESSEE

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 1951, by and between Ray H. Kingsbury, of Wallace, Idaho, the party of the first part, and H. J. Waugh, of Spokane, Washington, the party of the second part:

WITNESSETH: that whereas the party of the first part is the owner by tax deed of the Ula and Try Me patented lode mining claims and desires to sell the same, and the party of the second part desires to buy these claims:

NOW THEREFORE, the party of the first part, the vendor, agrees to sell to the party of the second part, the purchaser, and the purchaser agrees to purchase of said vendor, upon the terms and conditions hereinafter set forth, the said Ula and Try Me patented mining claims together with the appurtenances, except as further provided herein.

The purchase price agreed upon is 25,000 shares of the capital stock of the Sunrise Silver-Lead Corporation, an Idaho corporation, and the sum of \$10,000.00, payable as follows:

\$2,500.00 cash, on or before September 1, 1951.
1,500.00 cash, on or before March 1, 1952.
3,000.00 cash, on or before September 1, 1952.
3,000.00 cash, on or before March 1, 1953.

all payments to be made to the vendor at 510 Bank Street, Wallace, Idaho, and to be by him credited upon the purchase price.

There is reserved and excluded from this agreement for a limit of five years from date hereof all merchantable timber upon the two patented mining claims, the said timber to be retained and removed at the pleasure of the party of the first part within this period, and the party of the first part shall have the right and privilege of using or making access roads to remove the timber. It is understood that the roads shall be made with discretion and judgment so as not to interfere with mining work on the property.

Purchaser shall have possession of the property, except as noted, upon the execution of this contract, and shall continue in such possession as long as the terms of this agreement are fully complied with.

Time is the essence of this agreement, and should the purchaser fail to make the payments and to deliver the said 25,000 shares of stock by the time of the second payment, or to keep and perform any of the covenants and agreements herein mentioned, the same shall constitute a forfeiture of this agreement, and thereupon the vendor, at his option, may declare such forfeiture by written notice to purchaser, and at the expiration of thirty days, the terms of this agreement meanwhile not having been complied with, the purchaser agrees to peacefully vacate and the vendor may enter into said premises and take possession of them, and this agreement shall be at an end and null and void, and purchaser shall forfeit to vendor as liquidated damages all payments made hereunder, and immediately surrender possession of the premises.

Any failure of vendor to declare a forfeiture at any time upon violation of any of the terms of this contract by the purchaser shall be deemed only an indulgence by vendor for that particular time and shall not be construed to be a waiver of any rights of vendor specified herein. Any notice, demand or communication to be given by either party to this contract by the other party shall be in writing and may be transmitted to the other party by registered mail, addressed to vendor at Wallace, Idaho, and to the purchaser at Bus Terminal Building, First and Jefferson Sts., Spokane, Washington, or may be personally served on either party hereto, provided that either party may change their place of address by notice to the other party as provided.

Vendor agrees to furnish to purchaser, at or before the time of making the second payment hereunder on March 1, 1952, an abstract of title to said property, certified to date, showing title in vendor, free from incumbrance, it being understood however, that for the purpose of this instrument the following shall not be considered as encumbrances: reservations in any United States patent, easements for roadways, telephone lines or electric power transmission lines.

The twenty-five thousand shares of stock named as part of the consideration or purchase price shall not be issued until September 1, 1952, in order that the purchaser may control the same until that time so that it may not come in competition with efforts to finance work by the sale of stock, and upon completion of payment of the purchase price, vendor agrees to make a good and sufficient deed, conveying all his tax title, and to execute and deliver the same to purchaser or his assigns, conveying said mining claims to purchaser or his assigns free and clear from all encumbrances and having affixed thereto the requisite United States revenue stamps.

Purchaser shall have the right, while this agreement is in force, and effect, to work and operate at his discretion and to such extent and in such manner as they may deem proper the mining properties aforesaid, provided, however, that all work carried on by them shall be done in a good and workmanlike manner and at their sole cost and expense. They shall fully pay and discharge all obligations they may incur for labor, materials, or otherwise in the prosecution of work so carried on, and shall save and protect vendor free and harmless from any and all claims, demands and liens for labor and material that may be furnished for or on request of purchaser during the life of this contract or that may be used in the prosecution of the work so carried on.

Purchaser agrees to post and keep posted in a conspicuous place on said premises a notice satisfactory to vendor and in accordance with the laws of the State of Idaho, to the effect that vendor and said property shall not be liable for any debts incurred or obligations created by purchaser in the prosecution of work upon the same under this agreement.

Purchaser shall have the right to mine, mill and ship any ores that may be extracted or removed from the aforesaid mining claims during the life of this agreement upon paying a royalty of 15% of the net smelter returns on said ores, together with 15% of all bonuses, premiums or incentives paid by the government on said ores, to the extent same are allowed by governmental rules and regulations; all remittances therefor to be made to Roy H. Kingsbury, at 510 Bank Street, Wallace, Idaho, on or before the 15th day of each month next following the receipt by purchaser of smelter check for the settlement for ores so shipped, and to be credited on purchase price due under this agreement and applied to the next installment due hereunder. Duplicate copies of all settlement sheets for any and all ores sold to be sent to said vendor, Roy H. Kingsbury, at Wallace.

Purchaser agrees to pay all taxes levied and assessed against said property for the current year and for all ensuing years while this agreement is in force and effect.

It is understood that this lease shall be assigned to Sunrise Silver-Lead Corporation, and in fact is taken for their benefit.

The vendor, or his representative, shall have the right at all reasonable times to inspect the workings in which operations may be carried on pursuant to this agreement, or any other workings on said property, and shall also have the right at all reasonable times to inspect any maps, assay plans, drill cores, and all metallurgical or other records relating to exploratory or development work carried on by purchaser within the property of vendor.

Purchaser agrees to carry compensation insurance upon his employees under the Idaho Workmen's Compensation Law, and otherwise in all respects hold vendor harmless from all liability while said property is being worked and developed by them or their assigns during the life of this agreement. Purchaser further agrees to comply with all Federal and State laws relating to social security, unemployment and old age insurance, wages and hours, and all other statutes, both Federal and State, affecting the operation of said property and conditions of employment of all persons in the employ of purchaser.

Upon termination of this agreement by forfeiture or otherwise, purchaser or their assigns shall pay and discharge all debts and obligations incurred in any operations hereunder, and shall relinquish to vendor said mining properties free and clear of all liens and incumbrances arising from such operations.

In the event of termination of this contract by forfeiture or otherwise, all track, air pipe and fan pipe placed upon said property by purchaser and which shall be actually installed and in place underground, and all buildings on the surface, shall be considered part of said premises and shall become the property of vendor. All tools, pipe, machinery and equipment placed upon said property by purchaser and installed upon the surface thereof, and all machinery and equipment installed underground, unless otherwise specified, shall remain the property of purchaser, and they shall have the right to remove same within sixty days after the receipt of written notice of forfeiture or termination of this contract.

Each of the foregoing covenants and agreements of this contract shall extend to and enure to the benefit of the successors and assigns of purchaser, and the heirs, personal representative and assigns of vendor.

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

s/s ROY H. KINGSBURY

Vendor

s/s H. J. WAUGH

Purchasers,

STATE OF IDAHO)
County of Shoshone) ss.

On this 1st day of June, 1951, before me, a Notary Public, personally appeared Roy H. Kingsbury, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

MARGARET SCHELINE

NOTARY PUBLIC in and for the
State of Idaho, residing at Wallace.

STATE OF IDAHO)
County of Shoshone) ss.

On this 1st day of June, 1951, before me a Notary Public, personally appeared H. J. Waugh, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

MARGARET SCHELINE

NOTARY PUBLIC in and for the State
of Idaho, residing at Wallace.

THIS INDENTURE made this 1st day of May, A. D., 1951, between DAY MINES, INC., a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSOR, and SUNRISE SILVER-LEAD CORPORATION, a corporation organized and existing under the laws of the State of Idaho, and having its registered office and principal place of business in Wallace, Shoshone County, Idaho, LESSEE, WITNESSETH:

That the said Lessor for and in consideration of the royalties hereinafter reserved and the covenants and agreements hereinafter expressed, and by said Lessee to be kept and performed, has granted, devised and let, and by these presents does grant, devise and let unto said Lessee all the following described mining property located in Placer Center Mining District, Shoshone County, Idaho, to-wit:

FIVE HUNDRED (500) FEET on either side of the crosscut or tunnel to be constructed by the Lessee measured at right angles from the center thereof, to depth of 200 feet below the said tunnel level and from the said tunnel level to the surface, said tunnel being more particularly described in that certain easement and right of way agreement executed this date between the parties hereto and by reference made a part hereof, said tunnel to run in, under and through the Little Chief, U.S.M.S. #1903, AJAX U.S.M.S. #2138, ANACONDA U.S.M.S. #1902, WATERLOO U.S.M.S. #2769, WELLINGTON U.S.M.S. #2137 and GOOFY JACK lode mining claims.

TO HAVE AND TO HOLD unto said Lessee for a period of twenty (20) years after the date of this lease. If said Lessee shall operate said property and premises under the terms of this lease, after its expiration, by and with the consent of the Lessor, either party may terminate this lease by giving twenty (20) days written notice of intention to terminate the same. Such notice may be served upon anyone of the officers of the Lessee or upon the manager of the Lessor, or it may be deposited properly addressed to the party to receive same in the United States Post Office, postage prepaid, and the time of final termination of this lease shall begin to run with the date of the notice so served. This lease may be sooner forfeited or terminated through the violation of any covenant hereinafter against said Lessee or Tenant reserved.

In consideration of said devise Lessee does covenant and agree with the Lessor as follows, to-wit:

1. That the Lessee herein is an independent contractor and there shall be no privity of contract between the Lessor and employees or sub-lessees of the Lessee. All such employees or sub-lessees, whether on a wage or profit-sharing basis, shall be selected by the Lessee, hired by Lessee, directed by Lessee and paid by Lessee, and that subject only to the specific limitations herein set out; Lessee shall have exclusive dominion and control over the leased property and the operations therein during the term hereof.

2. That during the term of this lease or any extension thereof, the Lessee shall cause the leased premises to be worked with reasonable diligence and by the term reasonable diligence, as used herein, the parties agree that the work requirements to be performed by Lessee in accordance with the terms of that certain lease executed by the said SUNRISE SILVER-LEAD CORPORATION, as Lessee, and the C. & R. Mining Company, an Idaho corporation, as Lessor, on the 1st day of May, 1951, wherein the said SUNRISE SILVER-LEAD CORPORATION leased any vein or veins discovered in the C. & R. group of mining claims to a depth of 200 feet below the level of the crosscut to be driven by Lessee at an elevation of 5,250 feet and also vein or veins above the level of the said crosscut or tunnel shall constitute prima facie evidence of such reasonable diligence; that Lessee will perform all work in said devised premises in miner-like manner and in accordance

with the mining laws of the State of Idaho and such rules and regulations as have been or may be issued by Industrial Accident Board of Idaho or the State Mines Inspector. All openings shall be maintained in accordance with the standards established by such rules and regulations and shall be kept thoroughly drained and clear of loose rock and rubbish and obstruction, unless prevented by extraordinary mining casualties.

3. The Lessee agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by the Lessee on the property leased.

4. That the Lessee will, at its own expense, carry Workmen's Compensation insurance and Occupational Disease Compensation insurance covering all their employees and sub-lessees. The Lessee will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho in aid thereof for which Lessee may become obligated and will comply with all other laws, rules and regulations of any governmental authority affecting the operations of the Lessee in said demised premises and will furnish Lessor with supporting evidence of such compliance. The Lessee will pay all such premiums required for such Workmen's Compensation Insurance and Occupational Disease Compensation Insurance and will furnish the Lessor the evidence of the compliance with said law and the payment of premiums due on such policies.

5. That the Lessee will pay any loss or expense resulting from any shipment of ores the proceeds of which are not sufficient to meet all freight, smelter or other costs or charges in connection therewith.

6. That there is reserved to the Company the right to enter upon the leased property for the purpose of inspection of the work, of surveying, sampling and checking upon compliance with the safety rules and regulations.

7. That the Lessee will forthwith post and thereafter keep posted in conspicuous places on the demised premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the demised premises that the same are held by Lessee under lease from the Lessor, and that the Lessee and not the Lessor is liable for all labor performed and supplies and other material used by Lessee in and upon the demised premises, and that the Lessee and not the Lessor shall be responsible for all debts and expenses incurred in the mining operations in or upon the demised premises.

8. That the Lessee will hold the Lessor harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Lessor 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, their agents and servants, including claims, demands, causes of action, costs and expenses arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of the above described premises or any working thereon or therein used by Lessee or otherwise, and to defend the Lessor at its own cost and expense from such liability or asserted liability.

9. That the Lessee will not assign or sublet this lease, or any interest therein, or the premises affected thereby, or any portion thereof, without the written consent of Lessor, nor allow any person not in privity with the parties hereto to take or hold said premises or any part thereof under any pretense whatsoever.

10. That as further consideration for this agreement the Lessor shall have permission, and is herewith granted permission by the Lessee to use a crosscut or tunnel to be constructed by said Lessee together with the tracks, trolley wires, air pipe, and all fixtures and equipment situated in said tunnel so long as Lessor's use does not interfere with the operation of the Lessee.

11. That all ores won from the demised premises by said Lessee shall be shipped in the name of the Lessor to the smelter or smelters offering the best terms. The Lessor shall deduct as royalty $12\frac{1}{2}$ per cent of the net smelter returns plus $12\frac{1}{2}$ per cent of any subsidies and/or premiums paid by any Federal Agency for copper, silver, lead and zinc production. The Lessor shall pay to said Lessee eighty-seven and one-half ($87\frac{1}{2}$) per cent of the net smelter returns of all ores shipped, calculated as heretofore stated, and eighty-seven and one-half ($87\frac{1}{2}$) per cent of any premiums paid by any Federal Agency for copper, lead, silver and zinc production.

The net smelter returns are defined as the smelter schedule per dry ton for concentrates or crude ore, less smelter treatment charges and penalties, transportation of such concentrates or crude ore by truck or railroad to the reduction plant, control assaying and sampling charges.

12. That the Lessee will furnish at its own cost all labor, all operating supplies and equipment required in doing said work.

13. That upon violation of any of the covenants or agreements of this lease by Lessee, the term of this lease shall, at the option of Lessor, terminate and expire, and the lease and leasehold rights of the Lessee in the premises shall be forfeited, if such default or violation shall continue at the expiration of thirty (30) days next after Lessor shall have given to Lessee written notice of such violation or default, and demand for possession of the leased premises because thereof, Lessee being given said thirty days' time to overcome the cause of such forfeiture by full compliance with the violated covenant or agreement, and if such cause be not so overcome at the expiration of said thirty days' time, without further demand or notice, Lessor, by its agents or attorneys, may enter upon the leased premises and dispossess all persons occupying the same.

14. That all operations shall be conducted in a safe and prudent manner; and it is agreed that should any dispute arise between the Lessor and Lessee regarding the conduct of operations in a safe and prudent manner, such dispute shall be determined by the Lessor and the judgment of the Lessor prevail.

15. That no officer or employee of Lessor shall be interested in or participate in the profits derived from this lease.

16. That this lease applies only to ore bodies, veins, or ledges within the property owned by or controlled by the Lessor, and in no event or circumstance shall the Lessor be held liable if Lessee's operations continue beyond the outside boundaries of the leased property herein described.

17. This lease shall be binding up and inure to the benefit of the successors and assigns of Lessor, and the successors and assigns of Lessee.

IN WITNESS WHEREOF, the Lessor has caused these presents to be signed by its Vice-President and Secretary, and the Lessee has caused these presents to be signed by its President and Secretary the day and year first above written.

DAY MINES, INC.

By Paul E. Jessup
Vice-President

ATTEST:

LESSOR

Secretary

SUNRISE SILVER-LEAD CORPORATION

ATTEST

By H. J. Waugh
President

Larry L. Lincoln
Secretary

LESSEE

THIS INDENTURE made and entered into this 1st day of May, 1951, between DAY MINES, INC., an Idaho Corporation having its registered office and principal place of business at Wallace, Shoshone County, Idaho, hereinafter called the Party of the First Part, and SUNRISE SILVER-LEAD CORPORATION, an Idaho Corporation having its registered office at Wallace, Idaho, hereinafter called the Party of the Second Part,

WITNESSETH:

WHEREAS, Party of the First Part is the owner of certain patented mining claims situated in Placer Center Mining District, Shoshone County, Idaho; and

WHEREAS, Party of the Second Part desires to secure a right-of-way and easement for an access road to the LITTLE CHIEF lode Mining Claim, U.S.M.S. #1903, the property of the Party of the First Part; and,

WHEREAS, party of the Second Part in addition desires to secure an easement for purposes of driving a tunnel in, through and under premises hereinafter more particularly described, the property of the Party of the First Part; and,

WHEREAS, Party of the First Part is willing to grant an easement and right-of-way for the purposes aforesaid for a period of twenty (20) years.

NOW, THEREFORE, in consideration of the sum of ONE (\$1.00) DOLLAR, lawful money of the United States to it in hand paid and for other good and valuable consideration passing between the parties hereto, the existence of which is hereby admitted, and in consideration of the performance by the Party of the Second Part of the covenants and agreements hereinafter setforth, the Party of the First Part hereby grants to the Party of the Second Part an easement and right-of-way for a period of twenty (20) years from the date hereof for a right-of-way road more particularly described as follows, to-wit:

Beginning at a point on the Interstate Mine road a distance of approximately 100 feet South of the Northerly side line of the Bessie Lode Mining Claim, U.S.M.S. #2567, thence in a Northeasterly direction on the East side of the East Fork of Nine Mile Creek over and across the Nellie, U.S.M.S. #2567, the Illinois, U.S.M.S. #2567, Iowa, U.S.M.S. #2567, Chandler, U.S.M.S. #2567, Globe, U.S.M.S. #2567, Giant, U.S.M.S. #2567, Atlas, U.S.M.S. #1904, Burgomaster, U.S.M.S. #2018, Grace, U.S.M.S. #2567, Central, U.S.M.S. #2297, and Little Chief, U.S.M.S. #1903 lode mining claims:

ALSO and easement and right-of-way for tunnel purposes over and across, under, in and through the Little Chief, U.S.M.S. #1903, Ajax, U.S.M.S. #2138, Anaconda, U.S.M.S. #1902, Waterloo, U.S.M.S. #2769, Wellington, U.S.M.S. #2137, and Geofy Jack as shown by dotted line on sketch hereto attached, marked Exhibit A and made a part hereof by reference.

As a further consideration for the granting of said easements and rights-of-way the Party of the Second Part does hereby covenant and agree as follows:

That the Party of the First Part shall have joint use of the tunnel or crosscut to be driven and constructed by said Party of the Second Part together with the tracks, trolley wires, air pipe and all fixtures and equipment situated in said tunnel, or crosscut, so long as use by the Party of the First Part does not interfere with the operations of the Party of the Second Part,

In the event the Party of the Second Part neglects to keep the covenants and agreements to be by it performed according to the terms of that certain lease executed by the Party of the Second Part as Lessee and the C. & R. Mining Company, an Idaho Corporation, as Lessor on the 1st day of May, 1951, wherein the said Party of the Second Part leased any vein or veins discovered in the C. & R. group of mining claims above the level of the crosscut to be driven

by Lessee at an elevation of 5,246 feet the easements and rights-of-way granted herein shall be extinguished and terminated.

IN WITNESS WHEREOF the Parties hereto have caused these presents to be executed in duplicate the day and year first above written.

DAY MINES, INC.

By s/s F. M. ROTHROCK
Vice-President

ATTEST:

s/s G. H. Beitfeld
Secretary

PARTY OF THE FIRST PART

SUNRISE SILVER-LEAD CORPORATION

By s/s H. J. Waugh
President

ATTEST:

LARRY L. LINCOLN
Secretary

PARTY OF THE SECOND PART

STATE OF IDAHO)
County of Shoshone) ss.

On this 1st day of May, 1951, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared F. M. ROTHROCK, personally known to me to be the Vice-President of DAY MINES, INC., and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal at my office in Wallace, Idaho, the day and year in this certificate first above written.

s/s KATHRYN A. EICKWALD
NOTARY PUBLIC in and for the State
of Idaho, residing at Wallace.

STATE OF WASHINGTON)
County of Spokane) ss.

On this 1st day of May, 1951, before me, the undersigned, a Notary Public in and for the State of Washington, personally appeared H. J. WAUGH, personally known to me to be the President of SUNRISE SILVER-LEAD CORPORATION, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my notarial seal at my office in Spokane, Washington, the day and year in this certificate first above written.

s/s LARRY L. LINCOLN
NOTARY PUBLIC in and for the State of
Washington, residing at Spokane.

LETTER OF TRANSMITTAL

Wallace, Idaho
March 15, 1951

TO - The Directors
Sunrise Silver-Lead Corporation
Spokane, Washington.

Gentlemen:

I am submitting herewith, a brief report on the St. James, C & R and Phoenix Groups in the Beaver Mining District of Shoshone County, Idaho; together with my opinion of the proposed development program.

This report is accompanied by a map showing the salient features therein.

In a report of this kind it is always well to know the sources and reliability of the information contained therein and due credit should be given to those, whose work preceded my own.

Professional paper #62 U.S.G.S. by F. L. Ransome and F. C. Calkins is the standard work outlining the Geology of the Coeur d'Alene District and is the basis for the Geology in all reports of this type in this District. This has been supplemented by U.S.G. Bulletin #732, Geology and Ore deposits of Shoshone County, Idaho by J. B. Umpleby. For a more technical discussion of the Ore Occurrences in this District, the reader is referred to these standard works.

I have also been fortunate in having access to reports made on these properties by Mr. Julius P. Hall, now deceased, who was a well known Mining Engineer, long familiar with the problems of the Coeur d'Alenes and a man of recognized ability and integrity.

My own experience in the Coeur d'Alene District extends over a period of twenty-five years. It was my good fortune to be with the Day Organization and to become intimately acquainted with the surrounding operations as well as with the territory under discussion. I have drawn heavily on my past experience underground as an engineer and operator in this district, supplemented by surface work, in drawing conclusions and making recommendations on this project.

Hoping that this report gives you the data you need, I am

Sincerely yours

WM. H. SIMONS

Mining Engineer

SUMMARY

After a thorough study of the data available on the St. James, C. & R. and Phoenix Groups, I recommend the expenditure of the necessary funds for their exploration through the proposed low level crosscut tunnel, because of the following favorable conditions.

- A: Geologically it has all of the structural elements necessary to create an ore body, as shown by the experiences in the other near by producing Mines of this District.
- B: It has a definite vein system, containing values in silver lead and zinc.
- C: Its proximity to producing Mines, whose vein systems apparently extend into this property.
- D: The present workings are so situated that considerable advantage can be derived from work done in the past and the Location, Timber, Water, and other advantages such as Highways, Power Lines, Smelters and Custom Mills make possible Economical Mining.
- E. The handling of this development will be in the hands of men who are thoroughly capable of handling all phases of a project of this magnitude.

Signed by WM. H. SIMONS

Mining Engineer

REPORT

PROPERTIES:

This property consists of the St. James group of two patented claims, the C. & R. group of ten patented claims and the Phoenix group of twelve unpatented claims.

LOCATION:

These properties are located on the North Side of the Divide that extends South East from Sunset Peak, in the Beaver Mining District, Shoshone County, Idaho.

The Sunset Mine on Sunset Peak is about one-half mile to the Northwest and the Asbergis Mine is about one-fourth mile to the Southwest.

The properties lie on the Cedar Creek watershed.

GENERAL MINING FACILITIES:

These properties lie in the Heart of the Coeur d'Alene District, which is noted for the completeness of its facilities for economic mining.

Electric power is available in whatever quantities are necessary and has been brought to the portal of the proposed tunnel and a transformer station installed.

A road has been built from the Interstate Callahan Mine, a distance of one and one-half miles. From there, first class highways are available throughout the district.

Railway facilities are available with a loading station at Bern, some four miles by road from the portal of the proposed tunnel.

Smelting facilities are available at the Bunker Hill and Sullivan Smelter and Electrolytic Zinc Plants at Kellogg, a distance of about twenty miles from the property, and other Smelting Plants throughout the Northwest can be reached by rail.

Numerous supply companies, serving the large Mines of the District have headquarters in Wallace and Kellogg, so that mining equipment and supplies are available out of their stocks.

Within trucking distance, are several Mills that will accept ore for milling at reasonable rates on a custom basis. This is a decided advantage to a property in the process of development, between the time they start the mining of their ore bodies and the time when they have sufficient ore reserves blocked out to warrant the construction of their own milling facilities.

GENERAL MINING FACILITIES: continued

Being in the heart of a well established mining district the supply of available skilled labor is of particular importance to an operation of this character.

The property has already had installed at the portal of the proposed crosscut tunnel a Bunkhouse, Compressor House, 75 H.P. 360 ~~and~~ cubic ft. Compressor, fully equipped Blacksmith Shop and has on hand a substantial quantity of pipe and rails and mining equipment.

There is sufficient Timber and Water available on the property for a fair size operation.

GENERAL GEOLOGY:

There is no object in describing the general Geology of the Coeur d'Alenes in a report of this kind. This has been fully covered in the U.S.G.S. Professional Paper #62 by F. L. Ransome and F. C. Calkins supplemented by Bulletin #732 of the U.S.G.S. and J. B. Umpleby, and reference is made to these reports-

It is sufficient to say that, in the Belt Series, as described by these aforementioned Authorities, the main producers of the more than a Billion Dollars of the ore that has been produced in the Coeur d'Alenes, has been developed within range of the structure between the upper Prichard and the Wallace formations as outlined therein.

Such famous long life Mines as the Morning, Hecla, Star, Hercules, Sherman, Tamarack and Custer, Standard-Mammoth, Dayrock, Sunshine Bunker Hill and Sullivan and numerous others have been developed within this zone. These structures are recognized in the Coeur d'Alenes as the Host Rock for the mineral deposits of this District.

The Monzonites, which have been intruded into these structures are recognized as the origin of the Thermal Solutions that were the sources of the mineralization which resulted in these Ore Depositions.

It is noteworthy that such famous producers as the Tamarack and Custer, Sherman, Hercules, Ambergris, Interstate Callahan, Success, Sunset and several others occur within a short distance of the perimeter of the Monzonite batholith which is exposed on the west end of the property under discussion and whose outline is shown by the dotted line on the accompanying map.

The prevailing formation east of the Monzonite is known as the Burke Quartzite.

VEINS, ORE BODIES and PRESENT DEVELOPMENT:

At least one main vein structure crosses this property. This vein has been traced for several miles northwest of the property and on it have been opened up such important ore bodies as the Silver Tip and the Sunset.

Entering the property on the northwest side, it strikes S. 50 E. and dips slightly to the south cutting the formations for a distance of approximately 7000 feet within the properties under discussion.

The outcroppings and underground exposures show the vein to be up to 20 feet in width and well mineralized with black oxide of iron and a fair showing of galena and sphalerite.

This vein has been opened up by numerous surface cuts and in at least four places by tunnels but insufficient lateral drifting has been done in each case to open up the vein for exploration purposes.

This work was all done from the Cedar Creek side which makes transportation difficult and operating expensive, particularly in the winter time.

PROPOSED EXPLORATION:

It is proposed to drive a tunnel from the East Fork of Nine Mile Creek. This tunnel will cut the vein at about 3000 feet and about 500 feet below the outcropping on the C. & R. group which is the strongest showing opened up on the property.

PROPOSED EXPLORATION: CONTINUED

This tunnel will make possible a year around and a much more economical operation than could be obtained from the Cedar Creek side. This is good mining practice.

To carry out this program an easement for the tunnel together with mining rights for 500 feet each side of the tunnel, from the tunnel level to the surface, was obtained from the Day Mines, Incorporated.

CONCLUSIONS:

I believe that the cost of developing this vein both laterally and at depth is fully warranted and under present circumstances the proposed method is the proper one to employ.

W. H. SIMONS

Wallace, Idaho
March 15, 1951

PROPOSED EXPLORATION: CONTINUED

This tunnel will make possible a year around and a much more economical operation than could be obtained from the Cedar Creek side. This is good mining practice.

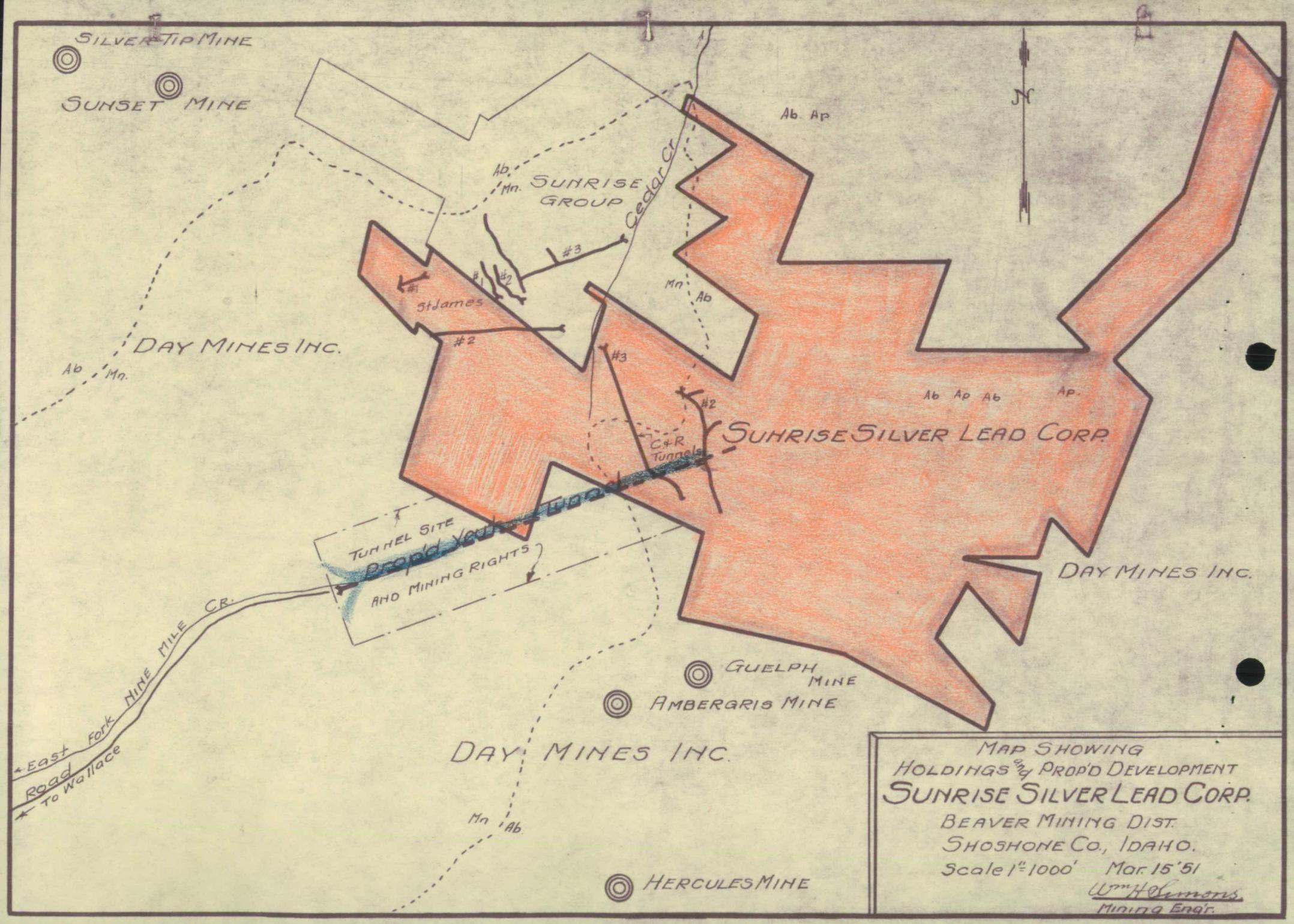
To carry out this program an easement for the tunnel together with mining rights for 500 feet each side of the tunnel, from the tunnel level to the surface, was obtained from the Day Mines, Incorporated.

CONCLUSIONS:

I believe that the cost of developing this vein both laterally and at depth is fully warranted and under present circumstances the proposed method is the proper one to employ.

WM. H. SIMONS

Wallace, Idaho
March 15, 1951



SILVER TIP MINE

SUNSET MINE

SUNRISE GROUP

SUNRISE SILVER LEAD CORP.

DAY MINES INC.

GUELPH MINE
AMBERGRIS MINE

HERCULES MINE

TUNNEL SITE
Prop'd Development
AND MINING RIGHTS

East Fork NINE MILE CR.
ROAD
To Wallace

MAP SHOWING
HOLDINGS ^{and} PROP'D DEVELOPMENT
SUNRISE SILVER LEAD CORP.
BEAVER MINING DIST.
SHOSHONE CO., IDAHO.
Scale 1"=1000' Mar. 15 '51
Wm H. Simons
Mining Engr.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. 2113
Metal or Mineral _____
Date Received 10-1-51
Amount \$ _____
Participation (Government %) _____

SUNRISE SILVER-LEAD CORPORATION

Name and
address of
applicant

223 ROOKERY BUILDING

SPOKANE 1, WASHINGTON.

Date September 24, 1951

If you have already filed MF-100, give date filed _____ No _____, type of assistance requested _____ Loan or advance
Mineral Order 5, under Defense Production Act of 1950 for exploration project pursuant to
DMA Docket Number (if available) _____ New Application

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you

have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. When a question is inapplicable it should be so stated in the form. Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (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. See Exhibit "A" attached hereto.
- (b) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. Covered by Exhibit "A" hereto attached.
- (c) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. As per Exhibit "B" attached; also as indicated by drawings on Map attached hereto marked Exhibit "C".
NOTE: (1) 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 (c) 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. Same property - see Map attached.
(2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. Options and Leases as per copies marked Exhibit "A" and attached hereto.
2. (a) What metals or minerals do you expect to find? -- Lead, zinc, silver and
- (b) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned. General geology same as adjoining properties such as Hercules, Sunset and other well-known Mines nearby near by.

DEFENSE MINERALS ADMINISTRATION
RECEIVED
OCT 1 1951

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (a) Describe fully the proposed work and give the total cost of the project. **Tunnel work - cost, approximately \$50,000.00.**
(b) State the time required to start the project and to complete it. **Now started - six months to complete.**
4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc. **See sketch attached.**
5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition. **Good mining equipment, just installed to complete this job.**
6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item. **One mucker - cost \$4,000.00; Cars and steel, \$2500.00.**
7. Furnish a detailed list of operating equipment, separated into items to be—
 - (a) Rented - **None**
 - (b) Purchased **Mucker - cars and steel**
 - (c) Furnished by you **We have one car - drill steel and other equipment listed.**
with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.
8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each. **Foreman, who does all kinds of work, \$400.00 per month. Miners, muckers, etc. regular Coeur d'Alene wages. No other salaries.**
9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above. **Engineering, nominal; only few assays required; accounting, \$50.00 monthly; power, probably \$200.00 per month; so far furnished free.**
10. (a) How much are you prepared to invest in the proposed project? **Will match Federal funds, or more.**
(b) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO-5)? **Yes.**
11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

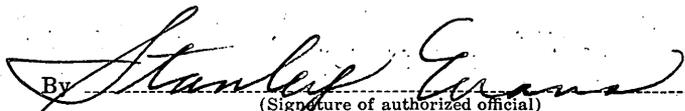
CERTIFICATION

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.

SUNRISE SILVER-LEAD CORPORATION

(Name of company)

By



(Signature of authorized official)

President.

September 24, 1951

(Date)

President.

(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.

(a) There has been a lot of work done on these properties on different levels, but it was decided to run one main tunnel cross-cutting all veins at a reasonable depth. The proposed tunnel is specifically shown on the attached map, shown by blue pencil lines and starting on the Day Mines property as indicated on map, and ultimately reaching this company's property at substantial depth as shown by said map.

Easements have been obtained from Day Mines, Inc. and certain mining rights to a depth of 200 feet below the tunnel.

(b) This tunnel has already been started and substantial mining equipment installed and in operation, machinery and equipment described as follows:

75 horsepower Electric Motor, already in operation; 360 cu. ft. Compressor already in operation; Modern Blacksmith Shop installed; air lines; rails; pick-up truck; living quarters, and a Camp equipped to do the work contemplated. Also a mucking machine is now being arranged for.

A map is submitted herewith showing the portal of the tunnel already started on the east fork of Nine Mile Creek and proposed to reach at a greater depth of veins which are indicated by markings shown on the company's property near the end of the proposed tunnel and at a depth that will reasonably assure production.

Easements have been obtained on the properties of Day Mines, Inc. and also the right to mine on the Day Mines property down to a depth of 200 feet below the tunnel level.

For a more specific and detailed statement as related to geologic features, such as contacts, veins, ore-bearing zones, etc., we respectfully refer to what is known as the Hall and Simons Reports on the properties involved.

The Company is now well equipped for the project now contemplated, to-wit: 75 HP Electric Motor installed and in operation; 360 cu. ft. Compressor; Modern Blacksmith Shop; air lines; rails; pick-up truck; Living Quarters - all well-built and in good condition and ample to do the immediate work contemplated.

If Mr. Mike Savage, the experienced mining man who will have this work in charge, is properly financed, he will probably do the job for less than \$20.00 per foot. Mr. Savage is a competent mining man and has had a great deal of practical experience in developing large mining properties in the Coeur d'Alene Mining District, and will no doubt get as good, or better results, than any man who could be obtained for this job.

No rehabilitation or repairs, necessary.

The Plant is in good condition for efficient operations, and will soon be greatly improved by the installation of a modern Mucking machine.

A modern Mucking machine is being planned for now at a cost of approximately \$4,000.00. Some additional cars and steel will be necessary at an approximate cost of \$2500.00.

- (a) Rented - No rentals contemplated.
- (b) Purchased - Mucker; cars; and steel.
- (c) Furnished by you - We have one car, drill steel and other equipment hereinbefore described.

Our machinery and equipment up to the present time is installed and paid for, but the Mucker, rails, and drill steel is being planned for.

Cost of our operations including machinery and equipment installed up to the present time will be shown by balance sheet by Public Accountant attached to this Application.

In our United States Corporation Income Tax Return for the calendar year 1950, we gave as capital assets, the following:

Capital assets:

(a) Depreciable assets - Mill equipment....	\$10,084.87	
Mine Bldgs.....	1,207.61	
Truck.....	<u>1,650.00</u>	
Total depreciable assets.....	\$12,942.48	
Less: Reserve for depreciation.....	<u>309.42</u>	\$12,633.06
(b) Depletable assets - Development cost...	2,146.00	
Less: Reserve for depletion.....		2,146.00
(c) Land - Leaseholds.....		203.00
Other assets - Administration expenses.....	93.00	
Commission expenses.....	<u>966.75</u>	
		<u>1,059.75</u>
Total Assets.....		\$16,917.76

And on account of the fact that we have only recently started work on the tunnel, the status of the assets would be virtually the same now as they were when this Federal Income tax report was made; however, we feel that the assets as installed, and in good condition, are worth considerably more than the estimate. Has good equipment in place. This seems to be the best date we can give you on this subject.

Mike Savage will be the Manager. He is a first-class, practical mining man with a vast amount of experience in developing important properties in the Coeur d'Alene Mining District, and while he has had no salary up to the present time, he should be paid at least \$400.00 per month when finances are available.

Miners, muckers, etc. will be paid the Union scale of wages as from time to time prevail in this Mining District. No other salaries are contemplated until property is producing except a nominal amount of probably \$50.00 per month for bookkeeping, and incidentals.

While the Washington Water Power Company has been furnishing the power up to the present time without a charge, except for road easements and privileges when we do commence paying a regular charge for power, the price will be the regulated price as is customary for such utilities and a rough estimate would be approximately \$200.00 per month.

The overall cost of running this simple job would probably be around \$20.00 or less per foot.

Materials and supplies would be included in cost per foot.

Engineering has already been done. Assaying will be nominal.

Accounting not exceeding \$50.00 per month.

Power which has been offset by right of way privileges up to the present time but will soon have to be paid at the usual utility rates and would probably run about \$200.00 per month.

Water is ample without cost.

(a) We have already furnished finances and machinery as hereinbefore described but we expect to comply with your regulations in matching Federal funds or more.

(b) Yes - this should be sufficient to find the ore in several veins at the depth reached by the tunnel planned and now being driven.

For this simple project, it would seem to us that the information given should be sufficient except for the personal examination by your office.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DM 2113
Metal or Mineral _____
Date Received 10-1-51
Amount \$ _____
Participation (Government %) _____

SUNRISE SILVER-LEAD CORPORATION
223 ROCKERY BUILDING
SPOKANE 1, WASHINGTON.

Name and
address of
applicant

Date September 24, 1951

If you have already filed MF-100, give date filed No, type of assistance requested Loan or advance
Mineral Order 5, under Defense Production Act of 1950 for exploration project pursuant to
DMA Docket Number (if available) _____ New Application

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you

have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. When a question is inapplicable it should be so stated in the form. Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (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. See Exhibit "A" attached hereto.
- (b) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application. Covered by Exhibit "A"
- (c) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. As per Exhibit "B" attached; also as indicated by drawings on Map attached hereto
Same property - see Map attached
The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (c) 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.
- (2) If applicant is not the owner of the property or if there are any liens, mortgages, encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract. Options and Leases as per copies marked Exhibit "A" and attached hereto.
-- Lead, zinc, silver and
2. (a) What metals or minerals do you expect to find?
- (b) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned. General geology same as adjoining properties such as Hercules, Sunset and other well-known mines nearby near by.

RECEIVED
OCT 1 1951
DEFENSE MINERALS ADMINISTRATION

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

- 3. (a) Describe fully the proposed work and give the total cost of the project. **Tunnel work - cost, approximately \$50,000.00.**
 (b) State the time required to start the project and to complete it. **Now started - six months to complete.**
- 4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the location of the proposed exploration work as related to geologic features, such as contacts, veins, ore-bearing beds, etc. **See sketch attached.**
- 5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition. **Good mining equipment, just installed to complete this job.**
- 6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item. **One mucker - cost \$4,000.00; Cars and steel, \$2500.00.**
- 7. Furnish a detailed list of operating equipment, separated into items to be—
 - (a) Rented **- None**
 - (b) Purchased **Mucker - cars and steel**
 - (c) Furnished by you **We have one car - drill steel and other equipment listed.**
 with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.
- 8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each. **Foreman, who does all kinds of work, \$400.00 per month. Miners, muckers, etc. regular Coeur d'Alene wages. No other salaries.**
- 9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above. **Engineering, nominal; only few assays required; accounting, \$50.00 monthly; power, probably \$200.00 per month; so far furnished.**
- 10. (a) **Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO-5)?** **Will match Federal funds, or more.**
 (b) **Yes.**
- 11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

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.

SURPRISE SILVER-LEAD CORPORATION
(Name of company)

By *Stanley Evans*
(Signature of authorized official)
President.

September 24, 1951
(Date)

President.
(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.

(a) There has been a lot of work done on these properties on different levels, but it was decided to run one main tunnel cross-cutting all veins at a reasonable depth. The proposed tunnel is specifically shown on the attached map, shown by blue pencil lines and starting on the Day Mines property as indicated on map, and ultimately reaching this company's property at substantial depth as shown by said map.

Easements have been obtained from Day Mines, Inc. and certain mining rights to a depth of 200 feet below the tunnel.

(b) This tunnel has already been started and substantial mining equipment installed and in operation, machinery and equipment described as follows:

75 horsepower Electric Motor, already in operation; 360 cu. ft. Compressor already in operation; Modern Blacksmith Shop installed; air lines; rails; pick-up truck; living quarters, and a Camp equipped to do the work contemplated. Also a mucking machine is now being arranged for.

A map is submitted herewith showing the portal of the tunnel already started on the east fork of Mine Mile Creek and proposed to reach at a greater depth of veins which are indicated by markings shown on the company's property near the end of the proposed tunnel and at a depth that will reasonably assure production.

Easements have been obtained on the properties of Day Mines, Inc. and also the right to mine on the Day Mines property down to a depth of 200 feet below the tunnel level.

For a more specific and detailed statement as related to geologic features, such as contacts, veins, ore-bearing zones, etc., we respectfully refer to what is known as the Hall and Simons Reports on the properties involved.

The Company is now well equipped for the project now contemplated, to-wit: 75 HP Electric Motor installed and in operation; 360 cu. ft. Compressor; Modern Blacksmith Shop; air lines; rails; pick-up truck; Living Quarters - all well-built and in good condition and ample to do the immediate work contemplated.

If Mr. Mike Savage, the experienced mining man who will have this work in charge, is properly financed, he will probably do the job for less than \$20.00 per foot. Mr. Savage is a competent mining man and has had a great deal of practical experience in developing large mining properties in the Coeur d'Alene Mining District, and will no doubt get as good, or better results, than any man who could be obtained for this job.

No rehabilitation or repairs, necessary.

The Plant is in good condition for efficient operations, and will soon be greatly improved by the installation of a modern Mucking machine.

A modern picking machine is being planned for now at a cost of approximately \$4,000.00. Some additional cars and steel will be necessary at an approximate cost of \$2500.00.

- (a) Rented - No rentals contemplated.
- (b) Purchased - Lucker; cars; and steel.
- (c) Furnished by you - We have one car, drill steel and other equipment hereinbefore described.

Our machinery and equipment up to the present time is installed and paid for, but the Lucker, rails, and drill steel is being planned for.

Cost of our operations including machinery and equipment installed up to the present time will be shown by balance sheet by Public Accountant attached to this Application.

In our United States Corporation Income Tax Return for the calendar year 1950, we gave as capital assets, the following:

Capital assets:

(a) Depreciable assets - Mill equipment.....	\$10,051.87	
Mine Bldgs.....	1,207.61	
Truck.....	<u>1,650.00</u>	
Total depreciable assets.....	\$12,912.48	
Less: Reserve for depreciation.....	<u>309.42</u>	\$12,633.06
(b) Depletable assets - Development cost... ..	2,146.00	
Less: Reserve for depletion.....		2,146.00
(c) Land - Leaseholds.....		203.00
Other assets - Administration expenses.....	93.00	
Commission expenses.....	<u>966.75</u>	
		<u>1,059.75</u>
Total Assets.....		\$16,917.76

And on account of the fact that we have only recently started work on the tunnel, the status of the assets would be virtually the same now as they were when this Federal Income tax report was made; however, we feel that the assets as installed, and in good condition, are worth considerably more than the estimate. Has good equipment in place. This seems to be the best date we can give you on this subject.

Mike Savage will be the Manager. He is a first-class, practical mining man with a vast amount of experience in developing important properties in the Coeur d'Alene Mining District, and while he has had no salary up to the present time, he should be paid at least \$400.00 per month when finances are available.

Miners, muckers, etc. will be paid the Union scale of wages as from time to time prevail in this Mining District. No other salaries are contemplated until property is producing except a nominal amount of probably \$50.00 per month for bookkeeping, and incidentals.

While the Washington Water Power Company has been furnishing the power up to the present time without a charge, except for road easements and privileges when we do commence paying a regular charge for power, the price will be the regulated price as is customary for such utilities and a rough estimate would be approximately \$200.00 per month.

The overall cost of running this simple job would probably be around \$20.00 or less per foot.

Materials and supplies would be included in cost per foot.

Engineering has already been done. Assaying will be minimal.

Accounting not exceeding \$50.00 per month.

Power which has been offset by right of way privileges up to the present time but will soon have to be paid at the usual utility rates and would probably run about \$200.00 per month.

Water is ample without cost.

(a) We have already furnished finances and machinery as hereinbefore described but we expect to comply with your regulations in matching Federal funds or more.

(b) Yes - this should be sufficient to find the ore in several veins at the depth reached by the tunnel planned and now being driven.

RF - 103 11.

For this simple project, it would seem to us that the information given should be sufficient except for the personal examination by your office.