DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Bradley Mining Company
425 Crocker Building
San Francisco 4, California

pertaining to Exploration Project Contract No. Idm-E531, Docket No. DMEA-3010, including Amendments Nos. 1 and 2, for the months of September and October 1953, inclusive, covering a project for the exploration of tungsten on property known as the Springfield prospect, located in Valley County, Idaho.

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

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

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract, except for supervision which costs were determined to be reasonable and within the rates specified in the contract, and
(c) a major portion ($3,172.55) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

| | |
|---|---|
| Total cost as billed by Contractor | $3,761.67 |
| Exceptions | -0- |
| Total Accepted Cost | $3,761.67 |

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Two Thousand Eight Hundred Twenty One and 25/100 Dollars

**$2,821.25**

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

Robert M. Hull

Robert M. Hull
Auditor

May 3, 1954

## Schedule of Allowable Maximums

Bradley Mining Company  Idm-E531  BMEA-3010

| | Allowable Maximum | Accepted Costs | Balance |
|---|---|---|---|
| Diamond drilling, 593 ft. @ $5.35/ft. Plus Move-in allowance | $3,410.00* | $3,172.55)<br>179.41) | $ 58.04 |
| Reaming and casing | 987.50 | -0- | 987.50 |
| 30 ft. of Drive Pipe | 297.00 | -0- | 297.00 |
| Bulldozing site | 188.00 | -0- | 188.00 |
| Total agreed unit costs | 4,762.50 | 3,351.96 | 1,410.54 |
| Geological consultant @ $50.00/day Plus $15.00/day expenses | 130.00 | 130.00 | -0- |
| Engineer @ $20.00/day, 10 days | 200.00 | 200.00 | -0- |
| Total estimated cost of project | 5,600.00 | 3,761.67 | 1,838.33 |
| Government Participation @ 75% | 4,200.00 | 2,821.25 | 1,378.75 |

XXXXXXXXXXXXXXXXX
1201 N. Division Street
Spokane 2, Washington

MAY 14 1954

**Air Mail**

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract Idm-E531, DMEA-3010
Bradley Mining Company

Dear Mr. Chambers:

Reference is made to your letter of May 4, 1954, concerning the subject exploration project contract.

I have consulted with the Field Team as to the necessity for an audit, and the Executive Officer of the Field Team has determined that an audit is unnecessary in view of the circumstances and has rescinded the Waiver of Documentation. Copies of the memorandum rescinding the Waiver of Documentation have been forwarded to your office.

Sincerely yours,

Robert M. Hull
Auditor

Original given to Hull
with approval to release
5/17/54
WB

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

MAY 11 1954

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Subj.: Ida-E120, DMA-211
Snowce Mining Co.,
Ida-E545, DMEA-2891
J. R. Simplot Co., and
Ida-E531, DMEA-3010
Bradley Mining Company

Dear Mr. Hull:

Reference is made to the Audit Report and Certificate for Ida-E120 and the Reports of Review for Ida-E545 and Ida-E531, as submitted by your letters of May 3 and 4, 1954.

The Audit Report and Certificate covering Ida-E120, Snowce Mining Co., is acceptable and distribution may be effected after correction of a typographical error. The date on the last line of page 2 of the Audit Report should be May 26, 1953 rather than May 26, 1952. The correction has been made on the Washington copies.

The Report of Review covering Ida-E545, J. R. Simplot Co., is returned herewith for revision, since the reasons for a review in lieu of an audit are improperly stated. Reasons (b) and (e) should be deleted and replaced by the following reasons (provided, of course, that they are correctly applicable):

(b) the Monthly Reports were supported by documentary proof of the costs applicable to contract provisions for payment by the Government on the basis of actual costs incurred;
(e) a large portion ($1,730.25) of the costs incurred covered work performed at unit rates under independent contract; and
(d) a large portion ($2,693.75) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

It is apparent that you have confused independent contract costs with agreed unit costs. In this connection your attention is invited to my memorandum of February 2, 1954 to all auditors on the subject: Reports of Review in lieu of final audits, particularly to the paragraph headed "Important" on page 4 thereof.

The Report of Review covering Ign-Kil, Bradley Mining Co., is being held in suspense pending a reply to my letter to you under date of May 4, 1954, relative to the audit of this contract. My letter and your Report of Review apparently crossed in the mails.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDT:albert/vb
May 11, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

Defense Minerals Administration
RECEIVED
MAY 1954

XXXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington
May 3, 1954

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract Idm-E531, Docket DMEA-3010
Bradley Mining Company

Dear Mr. Chambers:

Attached are three copies of Report of Review pertaining to contract Idm-E531, Docket DMEA-3010, Bradley Mining Company.

Sincerely,

Robert M. Hull
Auditor

Enclosure

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 3010 Contract No. Idm-E 531
Operator's Name Bradley Mining Co. Minerals Tungsten
Address Stibnite, Idaho
Contract Amount, $5,600.00 Government Participation: 75 % Amount, $4,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Contracts: | | | | | | |
| Drilling 165 ft. | 882.75 | 2,289.80 | 3,172.55 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| Move In | | 179.41 | 179.41 | | | |
| (2) Labor and Supervision: | | | | | | |
| Consultant | | 130.00 | 130.00 | | | |
| Supervision | | | | | | |
| Technical Services Eng. | 100.00 | 100.00 | 200.00 | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Core Boxes | | 37.71 | 37.71 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 2.00 | 40.00 | 42.00 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 984.75 | 2,776.92 | 3,761.67 | 984.75 | 2,776.92 | 3,761.67 |

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

Date 12/29/53 *Payee BRADLEY MINING CO.

Per G. Olston Title Assistant Secretary

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

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

(Instructions on reverse)

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

$ 738 56

Signature MJP
(Authorized Certifying Officer)

Date 7/9/54 Vou. No. 1209
(See other side)

Final Payment
as per Report of Review by R M Hull dated 5/3/54

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 531 in accordance with the terms of the contract.

Signature /S/ John A. Bowsher Title Mining Engr Date 1/6/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr Date 1/7/54

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR

## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 3010 Contract No. Idm-E 531

Operator's Name Bradley Mining Co. Minerals Tungsten

Address Stibnite, Idaho

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Units | Unit Costs |
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | 1 ft. | 882.75 | 165 | 3,172.55 | 593 | 5.35 | 600 | 5.35 |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| ~~Stoping~~ Ream & Case | 1 ft. | | | | | | 350 | 2.65 |
| ~~Stoping~~ Driving Pipe | 1 ft. | | | | | | 30 | 9.90 |
| ~~Stoping~~ Bulldozing | 1 hr. | | | | | | 16 | 8.00 |
| Roads and Trails | | | | | | | | |
| Other | | 102.00 | | 589.12 | | | | |
| TOTAL DISTRIBUTED COSTS | | 984.75 | | 3,761.67 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Contingencies | | ~~984.75~~ | | ~~3,761.67~~ | | | | 187.50 |
| TOTAL COSTS | | 984.75 | | 3,761.67 | | | | 5,600.00 |

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

Date 12/29/53 Operator Bradley Mining Co.

Per F. C. Orton Title Assistant Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

COPY

From: BRADLEY MINING CO.
YELLOW PINE AND MILLER
COUNTIES, IDAHO

To:

December 21, 1953

DMEA PROGRESS REPORT FOR OCTOBER, 1953

Contract Idm-E 531 (Springfield)

Progress

Two diamond drill holes were drilled in October. Both holes were collared near the southeasterly border of the talus deposit, and both were drilled in a southwesterly direction.

Total footage for the month was 165 feet. Average advance was 20.6 feet per machine-shift, including moving and set-up time.

Hole SP-11 was collared about one-third of the way down slope and on the southeastern edge of the scheelite-bearing talus deposit. It was drilled at an inclination of minus 29 degrees to a depth of 80 feet.

Hole SP-12 was collared near the bottom of the slope, about one-third of the way in from the southeastern edge of the talus deposit. Its inclination was minus 30 degrees; length 85 feet.

Geology

The cores from both holes were barren of scheelite, and neither hole cut the sulfide-rich zone that normally carries tungsten values. The sludge sample from 10 to 15 feet in hole SP-11 assayed 0.11 per cent $WO_3$; however, this may reflect salting from the overburden near the collar of the hole. Both holes cut basic dikes.

BRADLEY MINING CO.

K G Wallace

K. G. Wallace
Assistant Manager

KGW/ja

BRADLEY MINING CO.

Stibnite, Idaho

Monthly Supporting Detail

Contract Idm-E 531

October, 1953

| | | | |
|---|---|---|---|
| **Item 1 - Unit Costs, Diamond Drilling** | | | |
| Hole SP-11 | 80 ft. at $5.35 | $428.00 | |
| Hole SP-12 | 85 ft. at $5.35 | 454.75 | |
| | 165 ft. | | $ 882.75 |
| **Item 2 - Labor, Supervision, Consultants** | | | |
| Engineer - 5 days at $20.00 | | | $ 100.00 |
| **Item 7 - Miscellaneous** | | | |
| Analytical Work | | | |
| 1 Tungsten Assay at $2.00 | | | $ 2.00 |

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA 3010 Contract No. Idm-E 531
Operator's Name Bradley Mining Co. Minerals Tungsten
Address Stibnite, Idaho
Contract Amount, $ 5,600.00 Government Participation: 75 % Amount, $ 4,200.00

| ITEMS OF COSTS | FOR OPERATOR'S USE | | | FOR GOVERNMENT USE ONLY | | |
|---|---|---|---|---|---|---|
| | Monthly Total | Totals Previously Reported | Totals To Date | Approved Monthly Total | Approved Totals Previously Reported | Approved Totals To Date |
| (1) Independent Contracts: | | | | | | |
| Drilling 428 ft. | 2,289.80 | | 2,289.80 | | | |
| Bulldozing | | | | | | |
| Crosscutting | | | | | | |
| Drifting | | | | | | |
| Move In | 179.41 | | 179.41 | | | |
| (2) Labor and Supervision: | | | | | | |
| Consultant | 130.00 | | 130.00 | | | |
| Supervision | | | | | | |
| Technical Services Eng. | 100.00 | | 100.00 | | | |
| (3) Operating Mat'ls. and Supplies: | | | | | | |
| Timber | | | | | | |
| Explosives | | | | | | |
| Pipe | | | | | | |
| Track | | | | | | |
| Core Boxes | 37.71 | | 37.71 | | | |
| (4) Operating Equipment: | | | | | | |
| Rental | | | | | | |
| Purchase | | | | | | |
| Depreciation | | | | | | |
| (5) Initial Rehabilitation and Repairs | | | | | | |
| (6) New Bldgs., Improvements, etc. | | | | | | |
| (7) Miscellaneous: | | | | | | |
| Repairs to Equipment | | | | | | |
| Sampling and Analysis | 40.00 | | 40.00 | | | |
| Payroll Taxes | | | | | | |
| Liability Insurance | | | | | | |
| (8) Contingencies (specify): | | | | | | |
| TOTALS | 2,776.92 | | 2,776.92 | 2776.92 | — | 2776.92 |

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12/29/53 *Payee Bradley Mining Co.
Per G. Olson Title Assistant Secretary

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 2082.69
Signature (Authorized Certifying Officer)
Date 5/5/54 Vou. No. 1148
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 531 in accordance with the terms of the contract.

Signature /s/ John A. Bauscher Title Mining Engr Date Jan 6-1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr Date Jan 6-1954

## MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## DEFENSE MINERALS EXPLORATION ADMINISTRATION

# OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 3010 Contract No. Idm-E 531
Operator's Name Bradley Mining Co. Minerals Tungsten
Address Stibnite, Idaho

| OPERATION | UNIT | COSTS THIS MONTH | UNITS THIS MONTH | COSTS TO DATE | UNITS TO DATE | UNIT COSTS TO DATE | AUTHORIZED BY CONTRACT Units | AUTHORIZED BY CONTRACT Unit Costs |
|---|---|---|---|---|---|---|---|---|
| Drifting | | | | | | | | |
| Crosscutting | | | | | | | | |
| Raising | | | | | | | | |
| Shafts | | | | | | | | |
| Winzes | | | | | | | | |
| Drilling: Core | 1 ft. | 2,289.80 | 428 | 2,289.80 | 428 | 5.35 | 600 | 5.35 |
| Churn | | | | | | | | |
| Auger | | | | | | | | |
| ~~Drilling~~ Ream & Case | 1 ft. | | | | | | 350 | 2.65 |
| ~~Drilling~~ Driving Pipe | 1 ft. | | | | | | 30 | 9.90 |
| ~~Drilling~~ Bulldozing | 1 hr. | | | | | | 16 | 8.00 |
| Roads and Trails | | | | | | | | |
| Other | | 487.12 | | 487.12 | | | | |
| TOTAL DISTRIBUTED COSTS | | 2,776.92 | | 2,776.92 | | | | TOTAL COSTS AUTHORIZED BY CONTRACT |
| Operating Equipment Purchased | | | | | | | | |
| Initial Rehabilitation and Repairs | | | | | | | | |
| New Buildings, Improvements, etc. | | | | | | | | |
| Contingencies | | | | | | | | 187.50 |
| TOTAL COSTS | | 2,776.92 | | 2,776.92 | | | | 5,600.00 |

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

Date 12/29/53 Operator BRADLEY MINING CO.

Per G Orton Title Assistant Secretary

REMARKS:

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

(Instructions on reverse)

(For Government use only)

## INSTRUCTIONS

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

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

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

GPO 83-38475

COPY

ROBERT SANDERS
YELLOW PINE MINE AND SMELTER
KELLOGG, IDAHO

December 21, 1953

DMEA PROGRESS REPORT FOR SEPTEMBER, 1953

Contract Idm-E 531 (Springfield)

Progress

The diamond drill equipment was moved to Springfield in the latter part of August, however only 10 feet of drilling was done in August. Four holes were drilled in September. Total footage was 428 feet, including the 10 feet drilled in August. Average advance was 21.4 feet per machine-shift, including moving and set-up time.

All four holes were collared high on the talus deposit at the base of the sulfide-rich outcrop. All holes were drilled in a southwesterly direction and all except hole SP-9 were fairly flat (23 to 30 degree inclination). Hole SP-9 was drilled at an inclination of minus 60 degrees. The holes were located as follows:

| | |
|---|---|
| SP-7 | Collared below the central part of the outcrop. Length 150 feet. |
| SP-8 | Collared below the northwesterly end of the main outcrop. Length 138 feet. |
| SP-9 | Same collar location as SP-8. Length 40 feet. |
| SP-10 | Collared below the southeasterly end of the outcrop. Length 100 feet. |

Geology

Only hole SP-7 revealed concentrations of scheelite of particular interest, although all four holes cut zones of strong sulfide mineralization (mainly pyrrhotite). Minor amounts of scheelite were found in all holes.

Hole SP-7 cut a zone of heavy sulfides and quartz from 8 to 18 feet. The vein material carried some scheelite.

Hole SP-8 cut a heavy sulfide zone from 11 to 33 feet, but the scheelite content was minor.

Hole SP-9 cut lighter concentrations of sulfides in the first 25 feet, containing small amounts of scheelite.

Hole 3P-10 cut a sulfide-rich zone with small amounts of tungsten mineralization from 17½ to 22 feet.

BRADLEY MINING CO.

K. G. Wallace

K. G. Wallace
Assistant Manager

KGW/ja

BRADLEY MINING CO.

Stibnite, Idaho

Monthly Supporting Detail

Contract Idm-E 531

September, 1953

**Item 1 - Unit Costs, Diamond Drilling**

| | | | |
|---|---|---|---|
| Hole SP-7 | 150 ft. at $5.35 | $802.50 | |
| Hole SP-8 | 138 ft. at $5.35 | 738.30 | |
| Hole SP-9 | 40 ft. at $5.35 | 214.00 | |
| Hole SP-10 | 100 ft. at $5.35 | 535.00 | |
| | 428 ft. | | $2,289.80 |

Preparatory and Move-In Expense

| | | |
|---|---|---|
| Labor | $163.63 | |
| Compensation Insurance | 5.43 | |
| Supplies | 10.35 | |
| | | $ 179.41 |

**Item 2 - Labor, Supervision, Consultants**

| | | |
|---|---|---|
| Geologic Consultant - 2 days at $65.00 | $130.00 | |
| Engineer - 5 days at $20.00 | 100.00 | |
| | | $ 230.00 |

**Item 3 - Operating Materials and Supplies**

| | |
|---|---|
| Core Boxes | $ 37.71 |

**Item 7 - Miscellaneous**

**Analytical Work**

| | |
|---|---|
| 20 Tungsten Assays at $2.00 | $ 40.00 |

[redacted]

Spokane, Washington
May 10, 1954

MEMORANDUM

To: DMEA Auditors, Region II

From: DMEA Field Team, Region II

Subject: Contract Idm-E531, Docket No. DMEA 3010, Bradley Mining Company

Upon a review of contract Idm-E531, Docket No. DMEA-3010, Bradley Mining Company, and the monthly MF-104s with attachments, it has been noted that of the total costs claimed, $3,761.67, the major portion, $3,351.96, consisted of diamond drilling and the move-in costs. In view of this information our letter of April 28, 1954 waiving documentation is hereby rescinded.

It is requested that the necessary steps be taken to close this project and effect final settlement at the earliest date practicable.

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

Wing G. Agnew, Member
DMEA Field Team, Region II

cc: Wash. (2)
USGS (2)
R. M. Hull
AD

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

MAY 4 - 1954

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Idm-E531, DMEA-3010
Bradley Mining Company

Dear Mr. Hull:

The Monthly Work Load Report, as transmitted by your letter of April 30, 1954, indicates that you contemplate issuing a Report of Review covering the referenced Exploration Project Contract.

It is noted, however, that by letter dated April 28, 1954 addressed to the Operator by the Acting Executive Officer, DMEA Field Team, Region II, the requirement for documentary support of the Operator's Monthly Report and Voucher (Form MF-104) was waived. This waiver was issued under the authority granted to the Executive Officer by DMEA Circular 19, which further provides that, in any case where such waiver of documentation is issued, a site audit of the Operator's records is mandatory. Accordingly, as the matter now stands a Report of Review in lieu of a final audit is not acceptable.

This is a relatively small contract, being in the total amount of $5,600.00 with the major portion thereof ($4,762.50) on an agreed unit cost basis (per Amendment No. 2). The only items on an actual cost basis are the allowable maximums for an engineer and consultant and the estimates for analyses, all of which the Operator probably can adequately support. Accordingly, it is suggested that you consult with the Field Team as to the necessity for an audit and the possibility of rescinding the waiver of documentation.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
May 4, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

C
O
P
Y

March 31, 1955

Bradley Mining Company
1022 Crocker Building
San Francisco 4, California

Re: Docket No. DMEA 3010 - Tungsten
Springfield Project
Valley County, Idaho
Contract No. Idm-E531

Gentlemen:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

Docket DMEA 3010 (tungsten)

RECEIVED
FEB 8 1954

GOVERNMENT COPY

AMENDMENT NO. 2

It is agreed this 13th day of January 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and Bradley Mining Co. (Springfield Prospect), 425 Crocker Bldg., San Francisco, Calif.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 531 of May 26 1953 between the parties hereto be modified and amended as described in Exhibit "F" attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be August 1 1953.

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

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

Executed in sextuplicate the day and year first above written.

BRADLEY MINING COMPANY
(Operator)

By John W Bradley

THE UNITED STATES OF AMERICA

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

BRADLEY MINING COMPANY
Springfield Prospect
Exploration Project Contract Idm-E531
Docket No. DMEA 3010 (tungsten)

AMENDMENT NO. 2

Exhibit "F"

1. In Exhibit "A" of the contract under Estimated Costs of the Project and before section (1) insert a subheading as follows:

Agreed Unit Costs

Diamond Drilling

| | | |
|---|---|---|
| 600 feet of AX size diamond drilling @ $5.35/ft.* (plus $200.00 allowance for cost of moving in equipment) | $3,410.00* | |
| 350 feet of reaming and casing @ $2.65/ft.* | 927.50* | |
| 30 feet of drive pipe @ $9.90/ft.* | 297.00* | |
| Bulldozing site @ $8.00/hr.* - 16 hrs.* | 128.00* | $4,762.50* |

2. In Exhibit "A" of the contract under section (1) Independent Contracts delete everything and substitute the word "None."

RECEIVED
FEB 1954

BRADLEY MINING COMPANY
Springfield Prospect
Exploration Project Contract Idm-E531
Docket No. DMEA 3010 (tungsten)

Justification of Amendment No. 2

The Springfield Prospect is located in an isolated area approximately 8 miles, airline, south of Stibnite, Idaho, on Springfield Creek, a tributary of Little Pistol Creek. Access to the drilling site is via a primitive, rough forest road, and it is necessary to travel approximately 18 miles in a 4-wheel drive car from the main highway.

Because of the location of the drilling site and its relative inaccessibility it was found difficult to negotiate an Independent Contract under an allowable maximum of $5.35/ft. for drilling plus $200 allowance for cost of moving in equipment.

Therefore, it is to the advantage of the Government to approve this amendment of an Agreed Unit Cost in substitution for an Independent Contract, at no increase in cost to the Government.

J. A. Bowsher

Government's Copy

BRADLEY MINING COMPANY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-3010

AMENDMENT NO. 1

It is agreed this 16th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and Bradley Mining Company (hereinafter called the "Operator"), as follows:

WHEREAS, these parties have heretofore entered into a certain Exploration Project Contract, dated May 3, 1953, Docket No. DMEA-3010, Contract No. Idm-E531; and

WHEREAS, these parties entered into this Exploration Project Contract with the understanding and belief that production resulting from treatment of the talus would not be subject to the royalty provisions of Article 9 of the contract form, but no express provision exempting it therefrom was made.

NOW THEREFORE, Annex I of the aforesaid contract is modified by adding the following paragraph:

> "All production resulting from treatment of the talus shall be exempt from the royalty provisions of Article 9 of the contract form."

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

Executed in sextuplicate the day and year above written.

THE UNITED STATES OF AMERICA

By C O Mitchell
Administrator, Defense
Minerals Exploration
Administration

BRADLEY MINING COMPANY

By John D Bradley

Docket No. 3010

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 531

Date of Contract ~~or Amendment~~: May 26, 1953

Name and Address of Operator:
Bradley Mining Co.
425 Crocker Building
San Francisco, 4 Calif.

Amount of Government participation $ 4,200.00

Percent of Government participation 75 %

Region: 11 State: Idaho

Note: Please release $ 1,378.75; Advice Contract Administration and Audit Division

for E. H. Talbut
(Name)
E. L. Chambers
Chief Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

5/21/54

54458

Docket No. DMEA 3010

Commodity Tungsten

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 531

Date of Contract ~~xxAmendmentxx~~ May 26, 1953

Name and Address of Operator:

Bradley Mining Company
425 Crocker Building,
San Francisco 4, Calif.

Amount of Government participation $ 4,200.00

Percent of Government participation 75 %

Region: II State: Idaho

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. May 26, 1953

13808

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DM[redacted] 3010

COMMODITY Tungsten

UNITED STATES OF AMERICA Government's Copy
DEPARTMENT OF THE INTERIOR IDM-E 531
DEFENSE MINERALS EXPLORATION ADMINISTRATION

# EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 26th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Bradley Mining Company, a corporation duly organized and existing under and by virtue of the laws of the State of California, having its principal office at 425 Crocker Building, San Francisco 4, California hereinafter called the "Operator," as follows: and as set forth in Annex I.

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Idaho, County of Valley, described as follows:[3] Three unpatented lode claims White Mare, White Mare 1 and 2, in Section 28, T. 17 N., R. 9 E., Boise Meridian, recorded in the office of the County Recorder of Valley County, Cascade, Idaho, Book 11, Pages 423 and 424 and 425, respectively

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the Payment of 1-1/2 percent royalty to Mr. and Mrs. Lafe Cox, Yellow Pine, Idaho, on the net proceeds of ores extracted and sold. The Guaranty by Bradley Mining Company is attached hereto

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 90 days from the date of this contract shall commence work on a project of exploration for[5] Tungsten

in or upon the described land; and shall bring the project to completion within a period of nine (9) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $4,200.00, which is 75 percent of $5,600.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows: See Annex I, substituted for that part of paragraph (a) preceding the colon:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ..........

Executed in sextuplicate the day and year first above written.

Bradley Mining Company
(Operator)

By John D. Bradley

THE UNITED STATES OF AMERICA

By

Administrator, Defense
Minerals Exploration
Administration

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
BRADLEY MINING COMPANY
DOCKET NO. DMEA-3010

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
BRADLEY MINING COMPANY
DOCKET NO. DMEA-3010

EXHIBIT "A"

Description of the Work

The exploration work on this project is indicated in part on the map attached hereto, entitled "Bradley Mining Co. - Springfield Prospect - Sheet No. 1 of 3, DMEA-3010".

Time Schedule: 0 - 6 months

Prepare drill site with bulldozer and drill four (4) AX-size diamond drill holes not in excess of 600 feet to explore a tungsten-bearing quartz vein at the Springfield mine. The drill holes shall be reamed and cased, where necessary, but not in excess of 350 feet, and not in excess of 30 feet of drive pipe may be set. The location, inclination, and bearing of the drill holes are to be determined by the Operator subject to the approval of the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

| | | | |
|---|---|---|---|
| (1) | Independent Contracts | | |
| | 600 feet of AX-size diamond drilling @ $5.35/ft.* (plus $200 allowance for cost of moving in equipment) | $3,410.00 * | |
| | 350 feet of reaming and casing @ $2.65/ft.* | 927.50 * | |
| | 30 feet of drive pipe @ $9.90/ft.* | 297.00 * | |
| | Bulldozing site @ $8.00/hr.* 16 hrs. | 128.00 * | $4,762.50* |
| (2) | Labor, Supervision, Consultants | | |
| | 1 Geological consultant @ $50.00/day* plus $15.00/day* for expenses -2 days | 130.00* | |
| | 1 Engineer @ $20.00/day*, 10 days | 200.00 | 330.00 |
| (3) | Operating Materials and Supplies | | |
| | Core boxes and sample supplies | | 80.00 |

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

| | | |
|---|---|---|
| Analytical work, 120 tungsten analyses @ $2.00/each | $240.00 | $ 240.00 |
| (8) Contingencies | | 187.50 |

* * * * * * * *

| | |
|---|---|
| Total Estimated Cost of Project | $5,600.00 * |
| Government Participation @ 75% | $4,200.00 * |

# G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement with reference to the property referred to in Article 2 of the attached Exploration Project Contract, of a subordination agreement for the lien against the property, the undersigned hereby guarantees the payment to the United States of America of royalties, as specified in said Contract and any amendment thereof, upon any and all ore discovered or developed as a result of said Contract and any amendment thereof, which is mined within 10 years from the date of said Contract, whether or not the undersigned has any interest in the property, covered by the said Contract, or any part in the mining operations at the time said ore is mined. If for any reason the net smelter returns or other net amounts, from operations that would be subject, under said Contract and any amendment thereof, to such payments to the United States of America, are not available as a means of measuring the amount of such payment, then the undersigned agrees and undertakes to make such payment according to the best estimates of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agrees that the determination thereof by either the Administrator of Defense Minerals Exploration Administration, or his designee, shall be final and binding upon the undersigned.

Dated 6/18, 1953.

BRADLEY MINING COMPANY

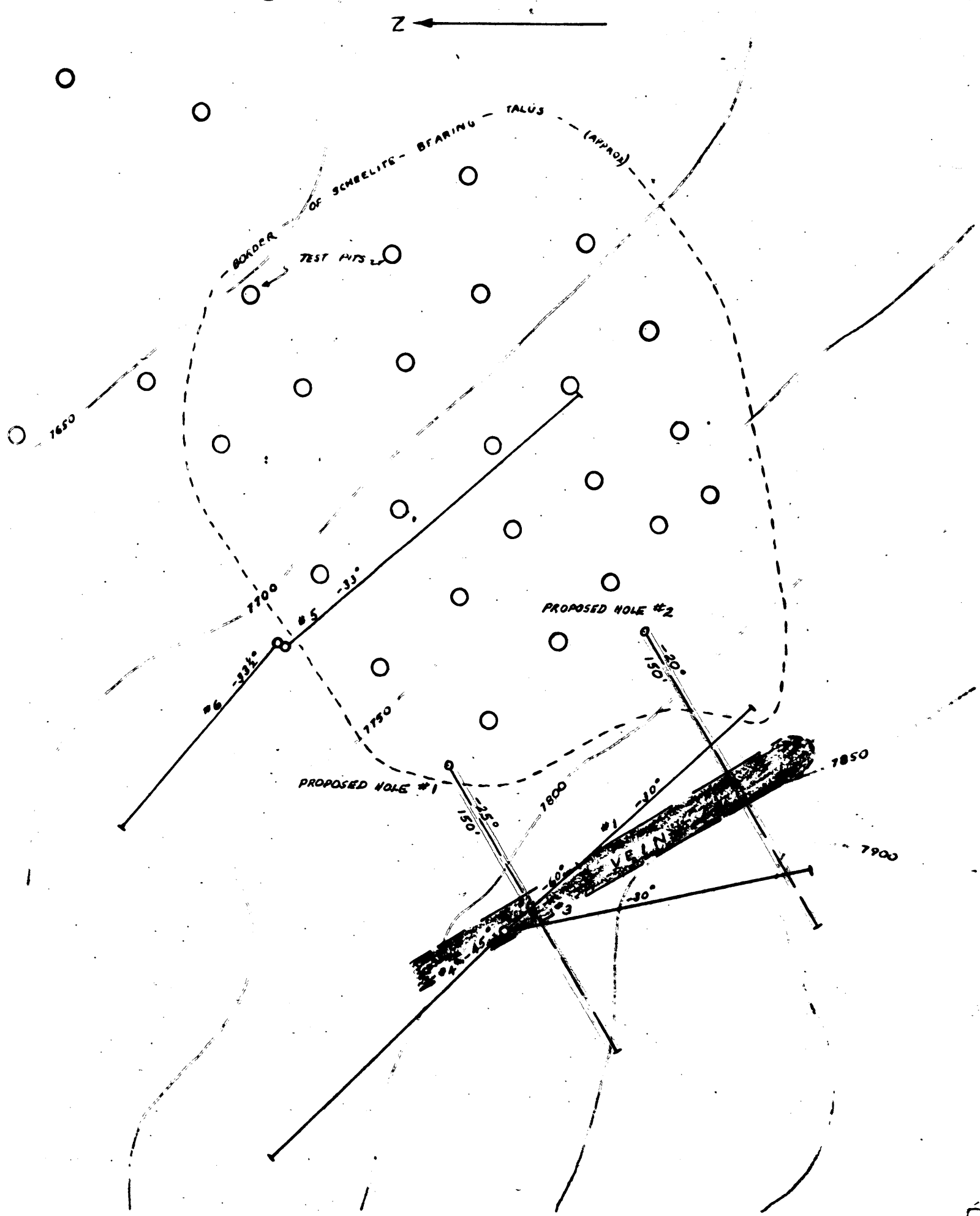
By John D. Bradley

I, E. A. GRIFFEN, certify that I am the Secretary of the corporation named as Guarantor herein; that JOHN D. BRADLEY who signed this guaranty, was then Exec. Vice-Pres. of said corporation; that said guaranty was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

E. A. Griffen [Corporate Seal]

BRADLEY MINING CO. SUBJECT SPRINGFIELD PROSPECT SHEET NO. 1 OF 2

BY KGH DATE 11/17 SCALE 1" = 50' JOB NO.

CHKD. BY DATE CONTOUR INTERVAL 10'

DMEA-3010