MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6612

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 6/21/67
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 27, 1967

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O. M. E.
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MAR 29 1967
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of Application for Assistance (Silver)
King Solomon Mines, Inc.
American Girl, et al., Claim Groups
Boise County, Idaho

Enclosed is a copy of an application to explore for silver ore in three separate areas within the Boise Basin, Idaho. The application appears to be complete except for bids relative to the proposed dozing of access roads and diamond drilling.

The applicant proposes to bulldoze 10 to 15 miles of trail for wagon-mounted drill access and to drill a total of 20,000 feet of NX size holes at an estimated total cost of $331,839.00. Should the project qualify as one for silver, the Government's contribution would be 75 percent or $248,879.25. However, assays of 19 samples from various unspecified locations, but apparently many of them from workings in the King Solomon area, indicate an average grade of 1.12 ounces gold per ton worth $39.20 per ton and 64.58 ounces silver per ton worth $83.30. On this basis it would appear that the project would be for gold-silver ores and the Government's contribution would be but 62½ percent or $207,399.38.

The leases appear to be in order and cover the three exploration areas.

However, the Agreement dated February 1, 1967, and the Supplemental Agreement dated February 10, 1967, each end on June 30, 1968; the former may be extended for 1 year and the latter for 10 years, but in each case the extension is dependent upon whether or not ore is discovered. There is always a chance that even a less extensive program might not be completed by June 30, 1968. It is doubtful that these documents meet OME requirements timewise.

The State of Idaho mineral lease dated March 23, 1966, is for 10 years and the Mineral Lease Agreement dated March 15, 1967, is for 2 years and may be extended 12 years; they apparently present no problem.

Perf. Bond

The costs are well padded with excessive overhead as usually considered necessary for direct costs of an OME exploration project. For example, a geologist-engineer-supervisor on full time at $750 per month and possibly an assistant on half time at $500 per month should be able to map the drill locations, log and sample the drill core, and indicate routes for access roads.

The last paragraph under item 5(a) indicates that the locations of the drill stations have been determined by surface exposures in shallow pits and outcrops. This causes one to wonder why the geochemical costs under item 7(b), amounting to $38,000.00 are pertinent if the drilling will indicate the presence of ore bodies. Possibly, there is insufficient evidence on which to base the drill locations, in which case perhaps the geochemical work should be considered but only as a first stage.

Certainly of the "Copy Machine, Typewriter, Adding Machine and Supplies Printed Forms" indicated under item 7(d), only the printed forms for core logs could properly be considered. Also spectrographic and petrographic equipment seem to be more in the nature of company desire than in any way a necessity for an exploration project.

These are a few of the items that seem to overload the costs unduly. I fail to see the need for the assaying supplies at $585.00 when assaying (chemical and spectrographic) are to be done by "Outside Purchases Services" at a cost of $7,000.00.

The history of the Boise Basin suggests that this is a good area in which to look for gold-silver deposits, but it might be better to limit a possible OME project to the most promising of the three areas. If successful there, other applications could be considered later. Kindly comment on this suggestion.

D. R. MacLaren

D. R. MacLaren

Enclosures

King Solomon Mines
Incorporated
P. O. BOX 166
Idaho City, Idaho 83631
PHONE 344-7545 BOISE, IDAHO

Boise Office,
1370 Hill Road,
Boise, Idaho.
83702

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MAR 29 1967
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1 March, 1967

Office of Mineral Exploration,
U.S. Geological Survey,
South 157 Howard St.,
Spokane, Wash. 99204

Subject: Gambrinus Mining District Silver Exploration Program.

Item: Letter of Transmittal.

Gentlemen:

We present herewith a program for silver development in the Gambrinus District by King Solomon Mines, Inc., with the aid of an O.M.E. development loan.

The management of King Solomon Mines, Inc., would not, and could not at this time undertake the proposed exploration program without the assistance of the Office of Mineral Exploration program, as the cost of the project, although fully justified, is not within the present financial capability of the Corporation.

It is the belief of our management that sufficient silver reserves do exist in the area of the proposed exploration to fully justify the expenditure proposed, and that ascertaining the scope of these reserves will lead to their subsequent development and production.

A comprehensive program is proposed in two stages, with 37½% of the project scheduled for the first year, at a cost of $124,439.25- In the event the first stage shows satisfactory results, the second stage of the program for the following year will be utilized to further explore, and locate the end lines and determine the scope of the ore bodies within the range of the proposed programs scope.

The full project cost, including both stages is calculated to be $331,839.00, requiring an O.M.E. loan of $248,879.25 -

Due to the size of the properties involved, and the probability of a multitude of parallel vein structures it is considered necessary to undertake a program of this scale to obtain any meaningful measurement of the available reserves.

It is proposed that a short form contract based upon drill hole footage completed would be satisfactory, even though the first year, (stage 1) may cost the operator more per foot if the stage 2 portion is not found feasable or desireable after the first stage results are evaluated.

The program as presented in the accompaning application is scheduled for March 1967 start, and it is presumed that this date may not be possible, and therefore the smallest portion of the program is projected for 1967 in stage 1. (37½%)

Respectfully submitted,

King Solomon Mines, Inc.,,

J. H. McKnight

J. H. McKnight, President.

RECEIVED
MAR 20 1967
SPOKANE, WASH.

MME Form 40
Jan. 65

RECEIVED
MAR 20 1967
SPOKANE, WASH.

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
RECEIVED
MAR 29 '67
O. M. E.
PETITIONS DIV.

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

King Solomon Mines, Inc.,
1370 Hill Road,
Boise, Idaho. 83702

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6612

DATE RECEIVED: 3/29/67

REGION: 1

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Idaho

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
J. H. McKnight,	1370 Hill Road, Boise, Ida.	President
Col. D. Lee Batten, USAF (Ret.)	Idaho City, Idaho.	V. President
Paul D. Nelson,	2909 Kootenai St., Boise, Idaho.	Sec'y-Treas.

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

ESTIMATED COST OF PROJECT: $331,839.00

PROPERTY NAME	LOCATION COUNTY	LOCATION STATE
American Girl Gr.) Balboa Group) Washington Group.)	Boise	Idaho

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

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

Mar. 17 1967
DATED

King Solomon Mines, Inc.,
J. H. McKnight
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

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

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

2. Applicant's Rights in Land:

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

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

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

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

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

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

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

INTRODUCTION

King Solomon Mines
Incorporated
P. O. BOX 166
Idaho City, Idaho 83631
PHONE 344-7545 BOISE, IDAHO

The Gambrinus District Development Program is a mining venture which is proposed to be undertaken by our corporation after serious consideration of the facts we have been able to piece together concerning the Boise Basin, and the silver mineralization of Southern Idaho.

The early history of the area, starting with the Boise Basin Gold Rush in 1860 and the discovery of the Banner District Silver Camp in 1864 and continuing through the production period into the present century has been geologically covered in the USGS reports of both Lindgren and Jones. (18th Annual Report, Part III) (Bull. 640E-1916) Also the 'Silver Mineralization in Southern Idaho' by A. L. Anderson and A. C. Rasor, Economic Geology, Vol. XXIX, No. 4, June-July 1934 which reports in depth on the silver mineral belt that extends from the Banner District - Southwest through the Gambrinus District, to the Silver City area, in Owyhee County.

The tenor of the ore in this silver belt has been consistently a very rich grade, with a high percentage of 'ruby silver', some argentite and a variety of other silver minerals. Ore, when found usually contained upwards of 50 ounces of silver per ton, and some gold.

From these geological reports, it is evident that the Gambrinus District was responsible for most of the gold recovered from the Idaho City Basin, and in-as-much as this was almost all from placer mining of Moores Creek from the Mouth of the Gambrinus Gulch to the old lake beds at Idaho City- very little of the silver salts would be expected to be found in these placer operations. The few quartz claims that were worked, were primarily worked for gold and the miners did not possess either the equipment or the more recent processes for recovery of the silver salts. It is thought that they were mostly unaware of the high silver content of the ores. In the Washington Mine however, which is mentioned in all of the geological surveys of the Boise Basin, High grade silver ores were found, and identified. The management of the Washington Mine however were searching for gold, and Lindgren reports that their gold vein was 'cut off at depth by a high grade silver vein' and this situation led to the failure of the company. They never processed the silver ore. They did however think that their gold vein had faulted, and spent what money they had in search of the lost gold vein. They did construct a 3700 ft. tunnel which crosscut 6 vein structures carrying gold and silver minerals.

When we review the statement that the gold vein was 'cut off by a silver vein' in the light of the Northern Idaho experiences, and with the additional structure analysis we have developed in our King Solomon Mine, it appears that an identical situation to that experienced in the Northern Idaho silver camps wherein the surface gold mining tapered off, and the underlying silver veins were then found may be duplicated here. In any event, The Banner Silver Belt appears from the evidence to extend South through the vein at the Washington Mine, and from the evidence gathered in our development of the King Solomon Mine, it extends also as far as the King Solomon.

The King Solomon Mine vein is a new discovery. It lays Southwest of the Washington, in a direct line through the Washington and Banner Mines. With this new find of very high grade silver ores, south of the Washington it became evident that the rich silver belt must run under the Gambrinus District and that the intervening area between the King Solomon and Washington might also have been enriched. This area, the whole Gambrinus District is a series of parallel fault zones, well mineralized and known for their gold production. The sporadic quartz mining however by under financed miners with equipment primarily designed for gold recovery made it highly unlikely that they would either find or develop the huge silver reserves of this district which it seems probable could be as large as those being worked in Northern Idaho. King Solomon Mines, Inc., has a staff of versatile, well trained experts in the fields of geology, chemistry and mining engineering, and our staff believes that such an ore body exists beneath the surface in the Gambrinus District. We have therefore acquired mineral leases on a very large area, comprising most of the mineralized ridges within this district and extending in area for more than 1,000 acres.

Mr. Paul Nelson, Prof. of Geology at Boise College spent the summer of 1966 mapping the King Solomon vein area which is now being mined as an open pit. King Solomon Mines is just starting production from its pilot mill, which it spent the last six years developing. The silver ores lie adjacent to the hanging wall and an average value of $80.00 per ton is not unusual. The average of many assays varying from $22.00 to $299.45 per ton in silver is well over $100.00. The ore is brecciated and leached near the surface and values fluctuate wildly. A vein which lies along the footwall carries substantial gold values and also some silver as pyrargyrite. The fault is more than ten feet in width at the present level of development with two to three feet of ore on each wall. It has been widening out with depth, and silver values too are rising with depth, as the leached and oxidized ore zones are penetrated.

This mine was developed from a prospect by geo-chemical grid testing of the surface, then dozer cutting the ridge at locations showing the higher silver and arsenic content. It was further developed as

an open pit mine and the best open cut deepened to about 80 feet to reveal the vein structure.

Samples of the ore were sent out for assays, and a portion of each such sample was sent to the U. S. Bureau of Mines, Metallurgical Center, at Salt Lake City for petrographic study. These assays and the reports of the Bureau of Mines are attached hereto as Exhibit (1).

Maps of the King Solomon, prepared by Prof. Paul D. Nelson, who is one of our staff members, are also attached as Exhibit (2).

Continuing research into the geological history of the area, and more mineral examinations by our own staff, confirmed to us that the mineral types were identical to those found at the Banner Mine, and those which were reported at the Washington Mine. Our aquisition of a binocular microscope permitted us to confirm the mineral types and the already indicated association- with the silver mineral belt that also traverses the Washington and Banner Mines.

Projecting this knowledge into the need to establish reserves, we examined the land from the King Solomon - Northeast to the Washington and found convincing evidence of vein structures which lie in the normal trend, within the Balboa group, and a study of ore samples from the American Girl properties showed similar silver mineralization. The history we have of the American Girl group's operational period indicates that silver was a major constituent of their ores.

With a well developed pattern of major silver mineralization in these newly acquired lands, with strong vein structures and outcrops of vein quartz, it is considered necessary to mount a comprehensive drilling and exploration program to further development of the Balboa group, The American Girl group and the Washington group mines. Due to the large land area involved and the probability of many large mineralized shear zones, a large scale exploration program is needed to gain the minimum of necessary information to develop these properties. Such a program envisions geo-chemical surface testing as a preliminary step to the establishment of drill sites, then exploring at depth each of the major fault zones showing high arsenic and silver. This pattern which was followed successfully at the King Solomon, can be accomplished in a two year period by substituting drilling for open cut exploration except for an initial open cut on each vein structure sufficient to examine the structure. It is felt that a major silver camp can and will be developed in the Gambrinus District by this type of deep exploration. Drill holes to 500 feet maximum will develop enough ore to justify some deeper probes at a later date to evaluate the total extent of mineable ore bodies.

Exhibit (3) shows the geographical location of the Balboa, American Girl, Washington, and other King Solomon Mineral Properties and their relationship to the King Solomon Mines and the Banner Mine.

The reported shipment of $3,000,000.00 in silver bullion from the Banner District with a small vein width, and shallow depth indicates the tenor of the ore which should be available throughout this silver belt zone. Proper and careful exploration of the Gambrinus District should produce a major silver lode.

The purpose of this brochure is to outline such a plan for the development of what are considered to be huge silver reserves, and to show that the available USGS Official Reports all support the facts which we have related herein. A further purpose of this brochure is to be able to present the accumulated evidence to the sources of finance for such a project, including the Office of Mineral Exploration.

Respectfully submitted,

King Solomon Mines, Inc.

J. H. McKnight

J. H. McKnight, President

EXH. 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

April 24, 1963

Mr. J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

The five samples from the King Solomon mine in Idaho that you recently left at this Research Center were examined by our mineralogist, J. Montoya.

Based on rock classification, samples 1, 2, 4, and 5 are quartzites that differ from one another in the following respects. Samples 1 and 4 are identical. These specimens are composed of quartz associated with a minor amount of sericite mica and stained with limonite.

Sample 2 contains a relatively large amount of sericite, and minor amounts of limonite and a hydrous iron arsenate probably pharmacosiderite. Sample 5 is similar to sample 4 except that it also contains a trace proustite.

Sample 3 is classified as vein quartz containing a variety of silver minerals. These have tentatively been identified as the silver sulfide argentite and the silver sulfarsenates, proustite, and pearceite.

The only possibly important association that was noted is that the silver minerals seem to be related to the arsenic content of the specimens. As no gold was detected in the specimens examined, the relationship of gold to the rock class or mineral association remains unknown.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. BOX 1

REPORT OF ASSAY

SALT LAKE CITY, UTAH April 16, 1

J. H. Mc Knight

WE HAVE ASSAYED YOUR five SAMPLES AND FIND them TO CONTAIN AS FOLLO

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF G PER TON
	1	2.59	2.40							$ 90.
	2	0.21	231.60							$ 7.
	3	2.85	60.55							$ 99.
	4	0.32	52.80							$ 11.
	5	0.80	113.70							$ 28.

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH May 1, 1963

J. H. McKnight

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
	6	0.24	108.90							$8.40

REMARKS:

2.50 Paid

CHARGES $

CRISMON & NICHOLS

BY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

June 25, 1963

J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

The two mineral specimens you recently left at this Research Center have been examined.

Sample No. 7 is composed of fine-grained quartz. The three areas circled in black contain crystalline gold and the matrix of the quartz contains both argentite and proustite. The yellow-green stain on the specimen is an iron arsenate presumably derived by alteration of a primary arsenic mineral. The gold is completely surrounded by quartz. It is definitely not associated with the silver minerals nor is there any evidence that it was originally associated with any other primary mineral such as pyrite.

Sample No. 8 is a quartzite that has been fractured and then mineralized with quartz carrying the silver minerals, argentite and proustite. No free gold was noted in the specimen. The brown stain on the fracture planes of the specimen is limonite presumably derived by oxidation of pyrite or other primary iron minerals. This specimen seems to contain more proustite than sample No. 7 and considerably less iron arsenate.

We hope the information given in this letter is helpful to you.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

METALLURGICAL LABORATORIES
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

Date October 14, 1963

Submitted by Mr. J. H. McKnight
435 East South Temple Street
Salt Lake City, Utah

Sample of #7 - Gold and Silver Vein Quartz

Qualitative Spectrographic Analysis

METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Chromium	Sodium	Iron	Aluminum	Silicon	9561-1
Manganese	Potassium	Silver			
Titanium	Zinc				
Copper	Lead				
Zirconium	Calcium				
Strontium	Magnesium				
Vanadium	Barium				
Nickel	Arsenic				
Cobalt	Antimony				
	Boron				

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

XERO COPY XERO COPY XERO COPY XERO COPY

METALLURGICAL LABORATORIES

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

Date October 14, 1963

Submitted by Mr. J. H. McKnight
435 East South Temple Street
Salt Lake City, Utah

Sample of Ruby Silver Ore #8

Qualitative Spectrographic Analysis

METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Titanium	Silver	Iron		Silicon	9561-2
Manganese	Calcium	Aluminum			
Strontium	Magnesium				
Copper	Sodium				
Zinc	Potassium				
Nickel	Lead				
Cobalt	Arsenic				
Chromium	Antimony				
Vanadium	Zirconium				

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

July 23, 1963

Mr. J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

Our mineralogist has examined the two mineral specimens you recently left at this Research Center and has reported the following findings:

The metallic blebs on one of the rock fragments are composed of silver. Chemical tests showed the metal was soluble in dilute nitric acid. A typical white precipitate of silver chloride was formed when chloride ions were added to the nitric acid solution. A spectroscopic test confirmed the chemical tests.

The film of blue material formed on the other specimen by treatment with nitric acid and heat could not be positively identified. As revealed by spectroscopic analysis, the film is composed of aluminum, magnesium, and potassium. Examination with a petrographic microscope indicated that the film is associated with sericite mica.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
~~REGIONXXXX~~

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH 84112

February 18, 1964

#12

Mr. Joseph McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

We have completed an examination of the rock speciman you recently left at this Research Center.

The rock is composed chiefly of quartz that contains individual blebs and disseminated crystals of proustite and argentite. Two minute specks of metallic gold were detected, as were a few crystals of partly altered pyrite. The yellow-brown stain on the fracture planes in the rock is limonite.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY, UTAH 84112

May 17, 1965

Mr. J. H. McKnight
King Solomon Mines, Inc.
908 North 30th Street
Boise, Idaho

Dear Mr. McKnight:

Reference is made to your letter of May 5, 1965, concerning three mineral samples submitted for examination. The findings of our mineralogic study are as follows:

Sample 1. - This sample is composed chiefly of quartz, associated with altered feldspar, sericite, mica, kaolin, and talc. The black areas are composed of a mixture of ferromagnesium minerals, limonite, and graphitic material. The specimen is highly fractured, and the fracture planes coated with limonite. We could find no gold or other metallics in this rock fragment.

Sample 2. - This sample is essentially similar to sample 1. It contains more altered feldspar, talc, and sericite, and less ferromagnesium minerals and graphitic material. Metallic gold was noted in three of the four fragments comprising this sample.

Sample 3. - This sample is composed of round globules of iron, slivers of iron, as well as a few fragments of quartz, feldspar, and other rock minerals. Some of the particles appear to be fused together with a slag. The metal slivers, which are partly rusted, probably were introduced into the sample from the crushing or grinding equipment used to break the rock. The round metal globules and slag are probably synthetic products derived from high temperature melting. This supposition is supported by the fact that neither type of material was found in any of the rock specimens submitted.

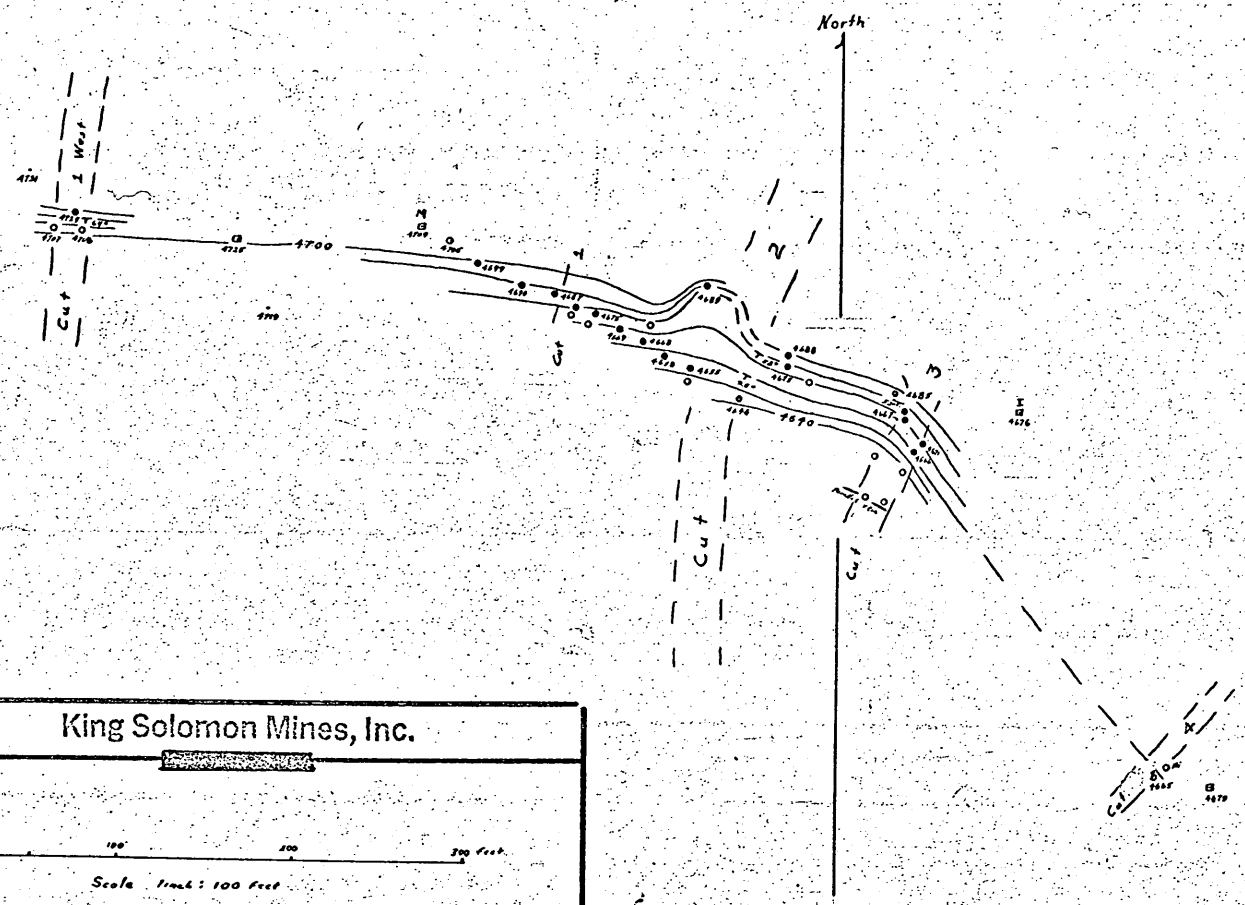
Other than noting that the rock specimens are brecciated and apparently hydrothermally altered, we can make no cogent comment about the paragenesis of the minerals in the samples.

Sincerely yours,

C. H. Schack
Supv. Research Metallurgist

EXH 2

Exhibit 2



King Solomon Mines, Inc.

0 100 200 300 feet

Scale 1 inch : 100 feet

- Stations
- Footwall Points
- Hanging wall Points
- Vein Dips
- Contours Structure on Footwall Interval 10 feet

10-19-1966

Paul O. Nelson - Gilbert Powell

PLATE B-3

Transverse Profiles

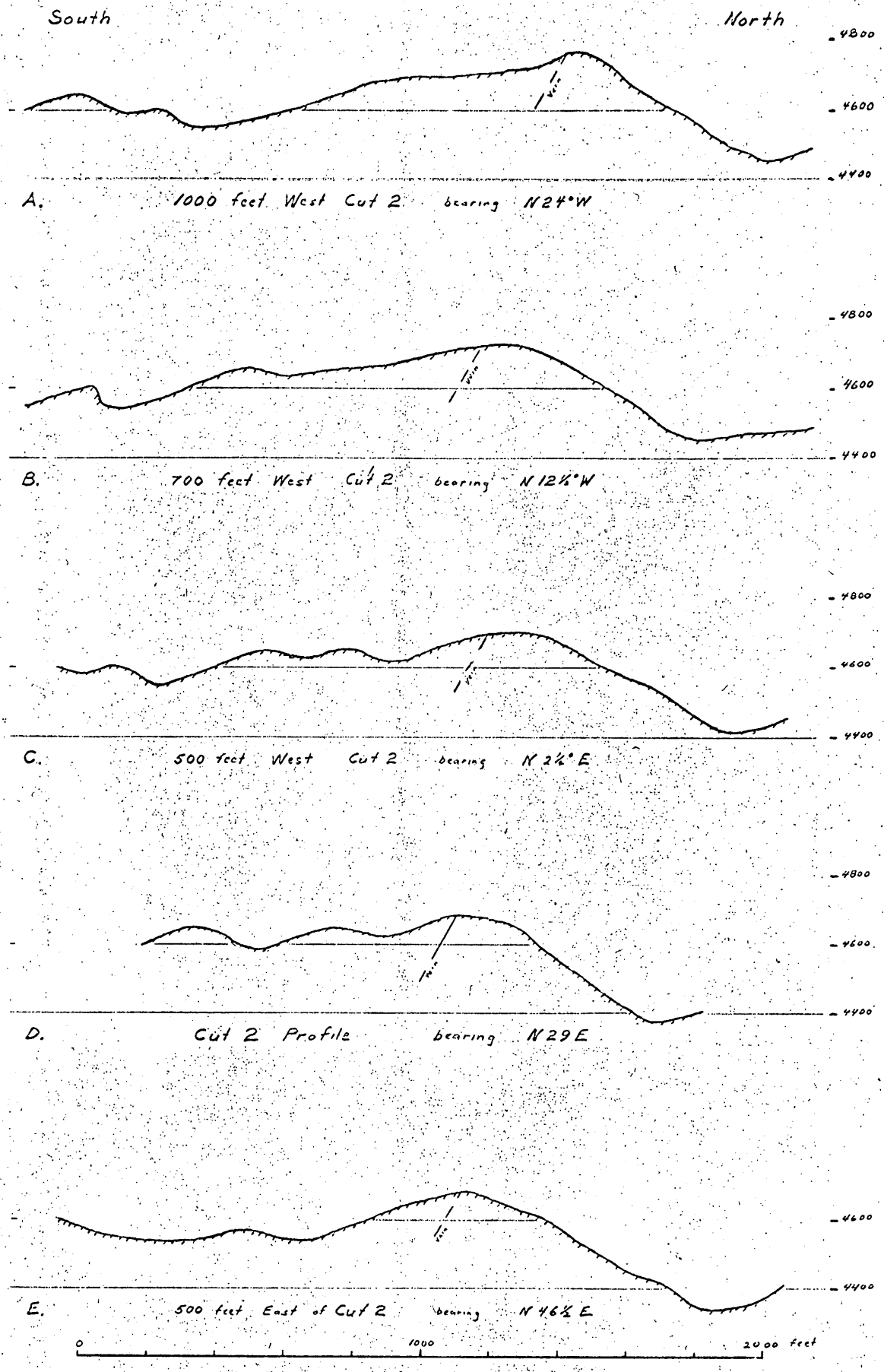


PLATE B-2

Proposed Mining Method

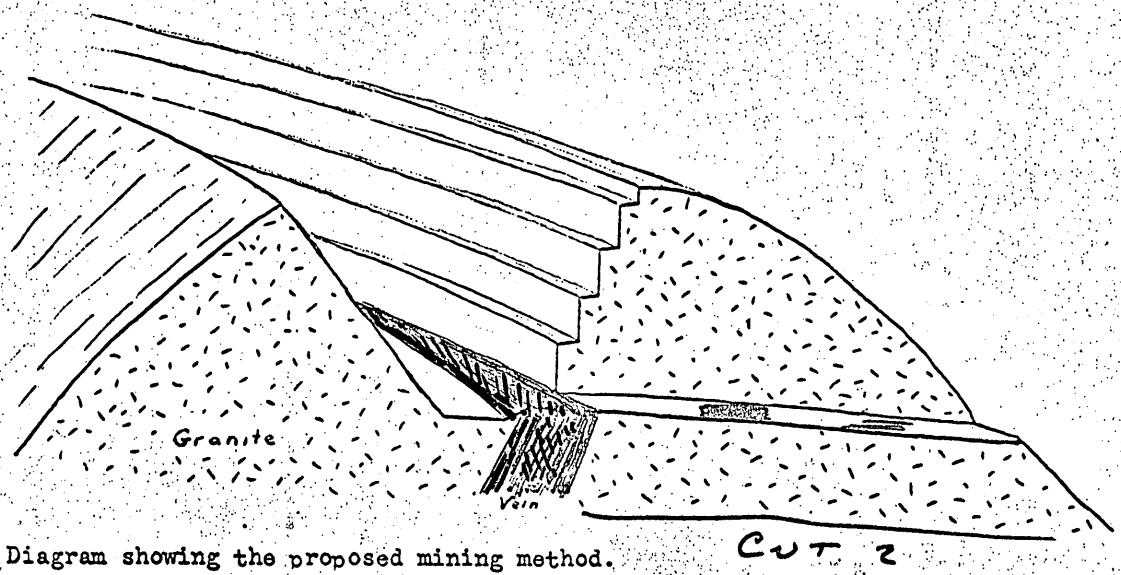
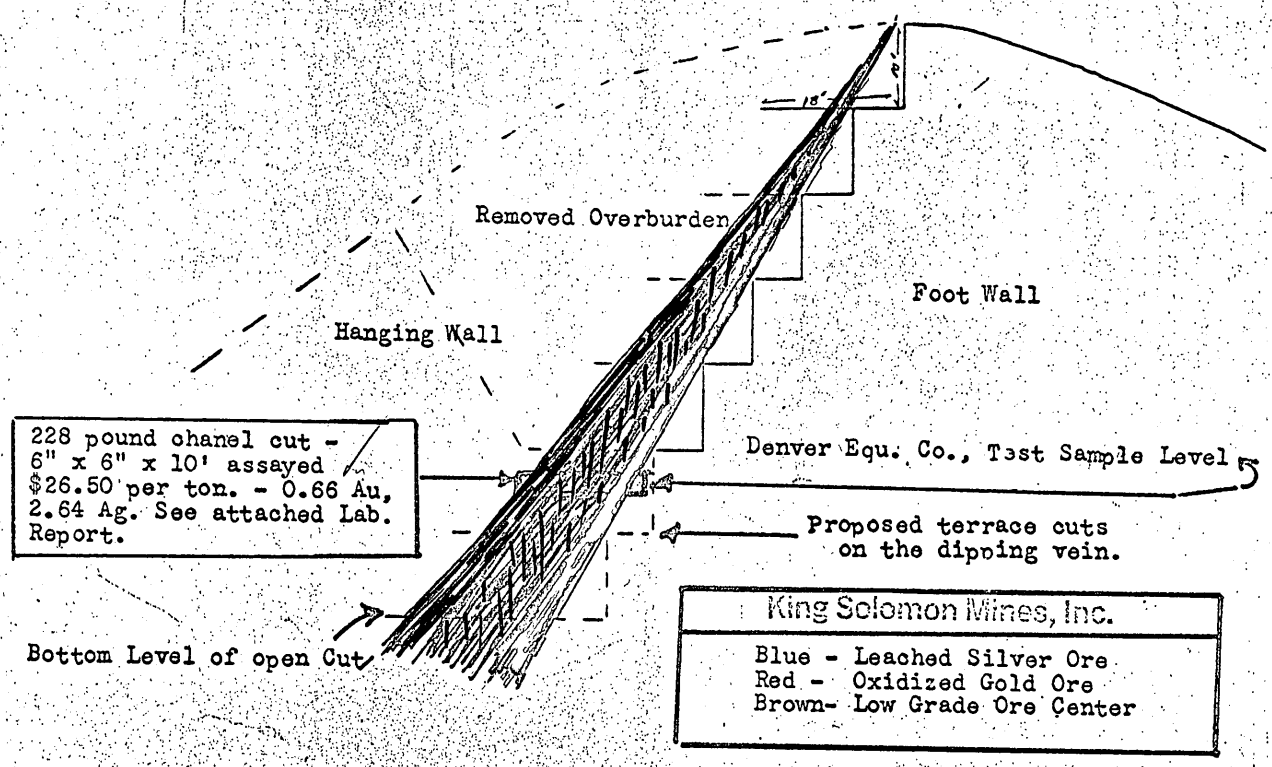
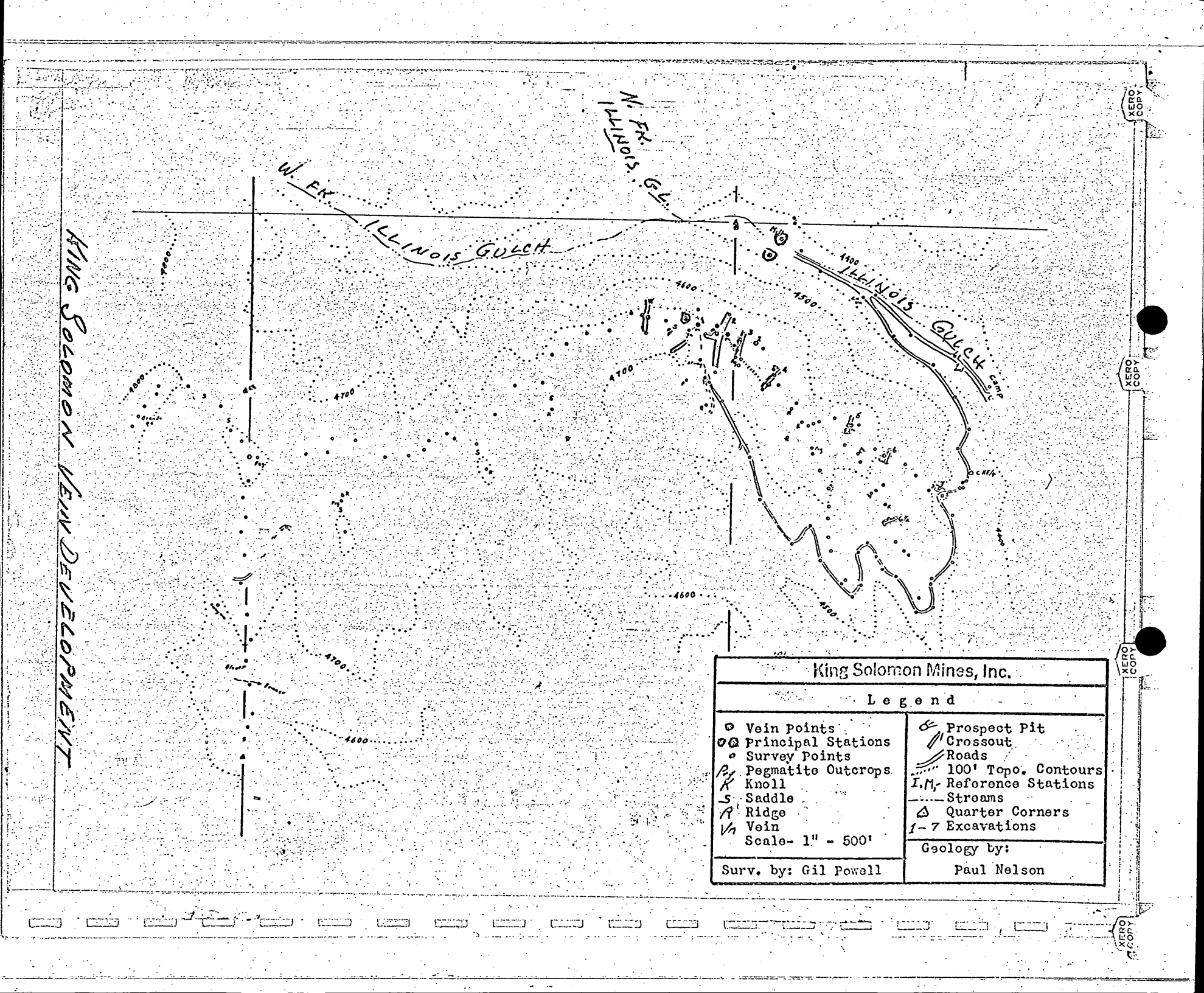
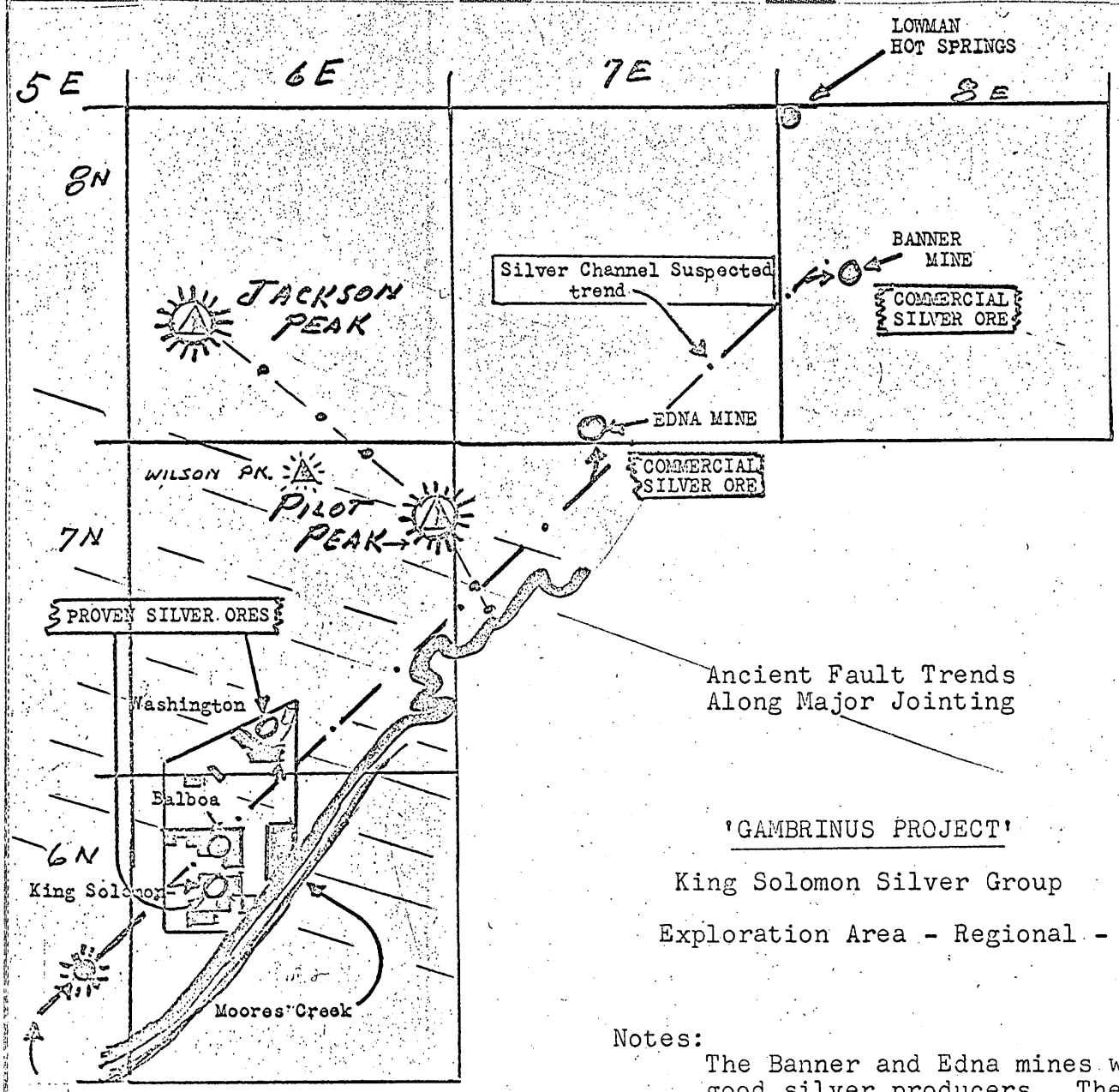


Diagram showing the proposed mining method.




KING SOLOMON VEIN DEVELOPMENT
W. FK. ILLINOIS GULCH
N. FK. ILLINOIS GL.
ILLINOIS GULCH
4600
4700
4500
4400
King Solomon Mines, Inc.
Legend
Vein Points
Principal Stations
Survey Points
Pegmatite Outcrops
Knoll
Saddle
Ridge
Vein
Scale- 1" - 500'
Prospect Pit
Crossout
Roads
100' Topo. Contours
I.M.- Reference Stations
Streams
Quarter Corners
1-7 Excavations
Surv. by: Gil Powell
Geology by:
Paul Nelson

Ex. 3



'GAMBRINUS PROJECT'

King Solomon Silver Group

Exploration Area - Regional -

Notes:

The Banner and Edna mines were good silver producers. The Washington mine is noted in 3 USGS surveys for it's high grade silver ores, and the new King Solomon vein has been developed in the past few years with high grade silver ores predominant.

King Solomon Mines, Inc.
Idaho City, Idaho 83631

Legend

Gambrinus Mining District

Known Silver Veins

Major Silver Prospect

Ex- 1 (a)

HEAD OFFICE

The Idaho First National Bank

BOX 7009 83707

BOISE, IDAHO

February 23, 1967

OFFICIAL COPY

Mr. J. H. McKnight, President
King Solomon Mines
P. O. Box 166
Idaho City, Idaho

Dear Mr. McKnight:

We appreciate the opportunity to study your financial program; however, we are unable to extend you credit as you requested.

It is not a policy of this office to loan money on a speculation venture.

Sincerely,

Robert T. Jones

Robert T. Jones
Assistant Vice President

RTJ/bg

CSB

COMMERCIAL STATE BANK

February 24, 1967

Mr. J. H. McKnight, President
King Solomon Mines, Inc.
P. O. Box 166
Idaho City, Idaho 83631

Dear Mr. McKnight:

Please be advised that our Loan Committee has declined your request for a loan from this bank. The decision was based upon the lack of established income of your company.

Very truly yours,

Charles R. Murphy

C. R. Murphy,
Vice President.

CRM:ps

King Solomon Mines
Incorporated
P. O. BOX 166
Idaho City, Idaho 83631
PHONE 344-7545 BOISE, IDAHO

February 23, 1967

First National Bank,
Boise, Idaho.

Gentlemen:

We are submitting herewith our 'Gambrinus Development Program' with which we propose to explore the Gambrinus mining district North of Idaho City for silver.

The program will require two years for completion, and cost $331,839.00. It will be accomplished in two stages, the first stage during 1967 will require 37½% of the expenditure and the second stage, requiring the final 62½% of the expenditure will be accomplished in 1968.

King Solomon Mines, Inc., is prepared to invest 25% of the total cost, and will require a loan of 75% amounting to $248,879.25. The first stage will require $124,439.25, of which King Solomon Mines will furnish $31,109.82 making necessary a loan of $93,329.43.

These loans would of necessity be repaid from a royalty on returns from mining which we hope will result from the development program.

Please advise us as to the availability of such a loan for our program, as soon as possible.

Sincerely, yours,

King Solomon Mines, Inc.,

J. H. McKnight, President.

February 24, 1967

Commercial State Bank,
Boise, Idaho.

Gentlemen:

We are submitting herewith our 'Gambrinus Development Program' with which we propose to explore the Gambrinus mining district North of Idaho City for silver.

The program will require two years for completion, and cost $331,839.00. It will be accomplished in two stages, the first stage during 1967 will require 37½% of the expenditure and the second stage, requiring the final 62½% of the expenditure will be accomplished in 1968.

King Solomon Mines, Inc., is prepared to invest 25% of the total cost, and will require a loan of 75% amounting to $248,879.25. The first stage will require $124,439.25, of which King Solomon Mines will furnish $31,109.82 making necessary a loan of $93,329.43.

These loans would of necessity be repaid from a royalty on returns from mining which we hope will result from the development program.

Please advise us as to the availability of such a loan for our program, as soon as possible.

Sincerely yours,

King Solomon Mines, Inc.,

J. H. McKnight, President.

Ex. 2 (c)-1

Feb. 23, 1967

State of Idaho,
State Land Department,
Boise, Idaho.

Ref. Mineral Lease No. 4006.

Gentlemen:

In the development of the properties covered in the subject mineral lease, we are preparing to do considerable exploration work which will require the participation of the United States Department of the Interior, Office of Mineral Exploration.

In connection with their financial participation, they require a lien agreement, copy of which is attached hereto, or in the event no such lien agreement is acceptable to the State of Idaho, they require a letter of refusal to execute the agreement.

We would appreciate your immediate advice on your policy, and completion of the agreement or a letter stating your refusal to execute the agreement.

Sincerely,

King Solomon Mines, Inc.,

J. H. McKnight, President.

Feb. 23, 1967

Ira A. Anderson,
1305 Shoshone,
Boise, Idaho.

Dear Ira:

In the development of the American Girl Group of properties, we are preparing to do considerable exploration work which will require the participation of the United States Dept. of the Interior, Office of Mineral Exploration.

The parcels you own in the Balboa Group are also involved in the program which we are proposing.

In connection with their financial participation, they require a lien agreement, copy of which is attached hereto, or in the event no such lien agreement is acceptable to you, they then require a letter of refusal to execute the agreement.

We would appreciate your immediate advice on your policy, and completion of the agreement or a letter to us stating your refusal to execute the agreement.

Sincerely,

King Solomon Mines, Inc.,

J. M. McKnight, President.

Feb. 23, 1967

Joseph Shannahan,
Montgomery St.,
Idaho City, Idaho.

Dear Mr. Shannahan:

As attorney for the owners of the Washington Group mines, we are addressing this communication to you.

In the Development of the properties involved, we are preparing to do considerable exploration work which will require the participation of the United States Department of the Interior, Office of Mineral Exploration.

In connection with their financial participation, they require a lien agreement, copy of which is attached hereto, or in the event no such lien agreement is acceptable to you and your principal, they require a letter of refusal to execute the agreement.

We would appreciate your immediate advice on your policy, and completion of the agreement or a letter stating your refusal to execute the agreement.

Sincerely,

King Solomon Mines, Inc.,

J. H. McKnight, President.

Refused — J. J. Shanahan

1305 Shoshone St.
Boise, Idaho

February 25, 1967

King Solomon Mines, Inc.
Box 166
Idaho City, Idaho

Gentlemen:

Your letter of February 23, 1967 with which you enclosed a copy of the Department of Interior's lien and subordination agreement form 52.

Please be advised that we refuse to execute such an agreement. 1/

Yours respectfully,

I. A. Anderson and
Ruth E. Anderson

IAA/n

Ex. 3(a)-1
3(a)-2

duction averaging around $1,000,000 monthly. Total production to date, about $80,000,000.

Nipissing Mines Company, Ltd.

Property, 840 acres in Cobalt Camp; developed to a depth of 900 feet. Company has two modern mills; largest silver producer in Canada; company also has interest in several "outside" properties. Production to date, about 69,000,000 ounces of silver. Dividend record, $26,160,000.

Dome Mines, Ltd.

Dome is recognized as the second largest producer of gold in Northern Ontario, and, we believe, in all Canada. The property, consisting of about 440 acres, is located in the famous Porcupine District. The company is producing gold at a rate of between $4,000,000 and $5,000,000 per annum. The average recovery per ton ranges around $9.00. Dome's production for 1924 was $4,307,720 and the profit for the year was $2,151,092 and production for 1925 is expected [illegible] the five million dollar mark with profits ranging around $2,500,000. Since the present management took hold of the property in 1918, [illegible] paid to its stockholders approximately $5,000,000 in dividends and, in addition to this, they report that at the present time they have in the treasury in the neighborhood of $4,000,000 in cash or sound securities, of which $2,000,000 has been set aside as a dividend assurance fund to perpetuate the payment of dividends should temporary physical conditions, such as a miners' strike, prevent profitable operations.

Teck-Hughes Gold Mines, Ltd.

Property, more than 400 acres in Kirkland Lake Camp; developed to a depth of 1,105 feet; diamond-drilled to 1,600 feet and sinking new four-compartment shaft; 160 tons daily capacity mill to be enlarged substantially; one of the world's highest grade producers; mill heads averaging over $25.00 per ton in gold; at present largest gold producer of the Kirkland Lake District. Production averaging around $100,000 monthly; ore reserves, estimated between $3,000,000 and $4,000,000.

Keeley Silver Mines, Ltd.

Property, 87 acres, developed to depth of 560 feet; mill, 150 tons daily capacity; production now around 150,000 ounces silver monthly; huge reserves of high grade silver ore; the company owns one of the richest silver producing properties in the world, located in the famous South Lorrain section of Northern Ontario. It was a silver nugget from this [illegible] weighing over 4,000 pounds, that was sent to England for exhibit at the British Empire Exposition last spring.

McIntyre Porcupine Mines, Ltd.

Owns 347 acres in the Porcupine Camp; shaft down to 2,500 feet, with deepest lateral workings in Northern Ontario; ore reserves increasing very rapidly; 1,000-ton daily capacity mill, to be enlarged; total dividends to date, $3,997,111; holds 50 per cent stock ownership in the Blue Diamond Coal Mines of Alberta.

Vipond Consolidated Mines, Ltd.

Controlled by the same management as that operating Keeley. Vipond's property, consisting of 160 acres, immediately adjoins the famous Hollinger Gold Mines, Limited, and it has been practically proven by the most prominent mining engineers that a portion of the Hollinger gold vein system traverses the Vipond territory. In proof of this, it may be mentioned that above the 1,100-foot level Vipond reports ore now in sight estimated at well over $3,000,000. They are turning out, through their 150-ton mill, about $50,000 worth of gold per month, and are reported planning to increase this output materially. The treasury is amply fortified and is steadily being augmented through their production. Believed by prominent mining and financial experts to be another McIntyre in the making.

Tough-Oakes Burnside Gold Mines, Ltd.

Property, 342 acres, Kirkland Lake Gold Area; developed to depth of 1,025 feet; large high-grade ore reserves being developed; has produced over $2,000,000 and paid more than $400,000 in dividends; 200-ton mill being built.

Capitol Silver Mines

A mine in the making and picked by the Consolidated Mines Syndicate as a winner. The Syndicate officials are confident that this property will develop into one of the most important silver producing mines in Canada. This company owns and controls approximately 791 acres of mineralized land in the heart of the Gowanda Silver Area, adjoining Castle Trethewey and Miller Lake-O'Brien, the latter having a production of over 6,000,000 ounces of silver. Main shaft [illegible] approximately 200 feet; development plans being concentrated on shaft sinking, with the immediate objective at around 450 feet, at which point cross-cutting operations are expected to cut important ore bodies. Controlled by McIntyre-Porcupine interests, in which the Consolidated Mines Syndicate is interested.

Crown Reserve Mining Company, Ltd.

Crown Reserve was one of the foremost silver producers of Cobalt during that camp's era of greatest prosperity, and on a capitalization of $2,000,000 paid over $6,000,000 in dividends to its shareholders, to say nothing of a splendid increase in the value of shares.

This Company is now energetically developing a 544-acre gold property in the Garden Lake District, with the strongest indications that history is about to repeat itself. Prominent engineers and geologists say that Crown Reserve is likely to develop into one of the big tonnage gold producers of Northern Ontario. As a gold producer it is anticipated that Crown Reserve will far excel its former record as a silver producer.

Development work has already opened the mine to a depth of 550 feet and has proven the presence of substantial ore bodies estimated at values in excess of $1,000,000.

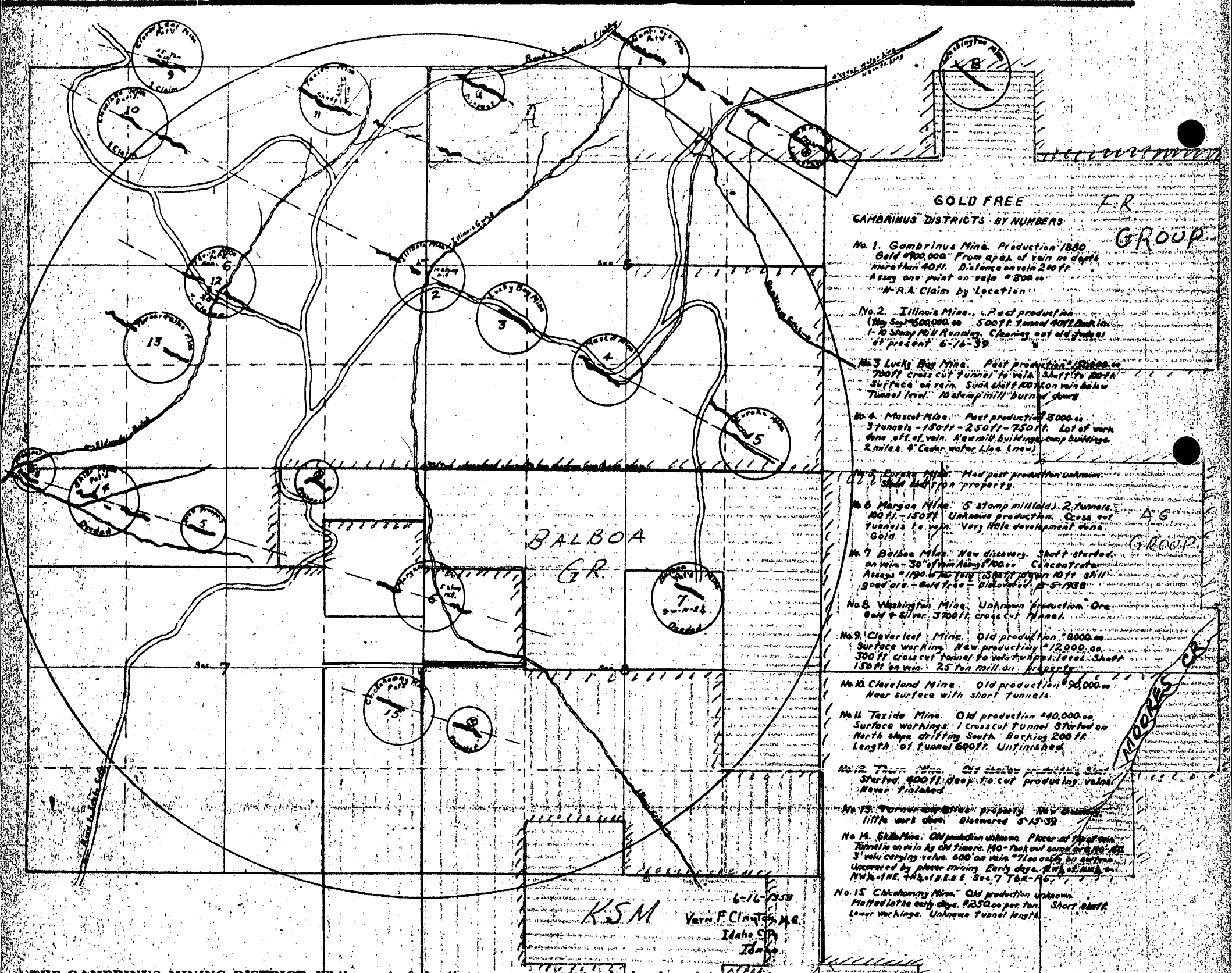
Monetary Metals Company

The Consolidated Mines Syndicate is a large stockholder in this [illegible] and is increasing its holdings therein right along. This property consists of the Washington and Sub-Rosa groups of gold and silver lode mining claims, consisting of 18 claims, 380 acres, located in Boise Basin Mining District near Idaho City. Development approximately 3,700 feet of old workings and a 3,700-foot main working tunnel tapping a series of six parallel gold and silver veins at a depth of about 500 feet. Complete mining equipment. Past production approximately $500,000 in gold and silver. Present development work opening up high grade gold and silver ore bodies. New 100-ton reduction plant under construction. Surface area covers a vein system one and one-half miles in length.

Recent development on this property has revealed a rich gold and silver ore chute extending from the surface to a depth of 565 feet, and this chute has been partially developed on five levels. A cross-cut from the main tunnel level to this chute has opened up a body of ore with good values in gold and silver. An average of assays across a seven-foot face indicate gold and silver values aggregating over $10.00 per ton, with some of the specimen ore showing free gold and native silver and assaying very high.

WASHINGTON GROUP.

Shaded portion shows part of the land mass control by King Solomon Mines, Inc., in the Gambrinus dist.

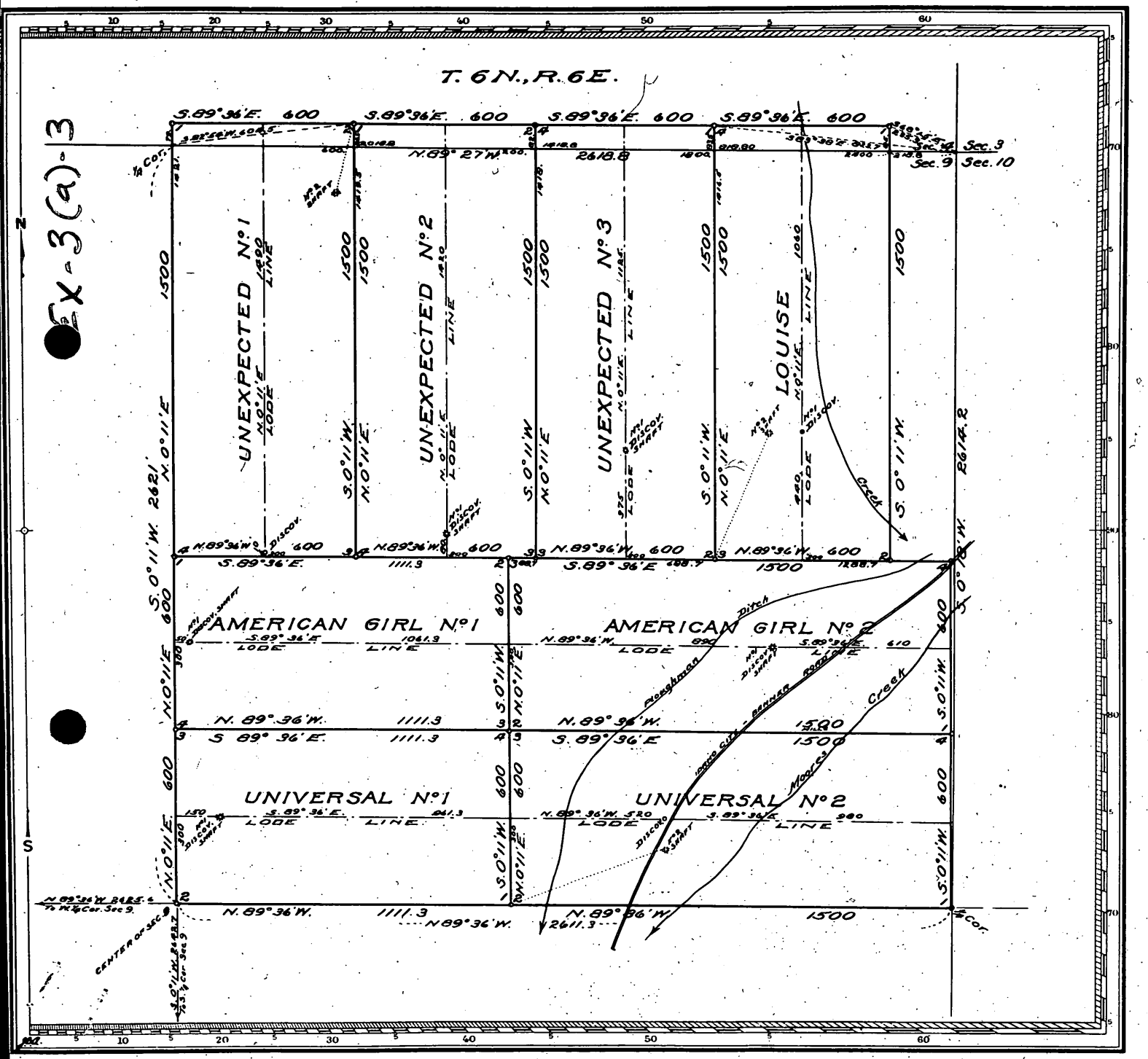


THE GAMBRINUS MINING DISTRICT. While most of the time people only hear about the fabulous placers along the creeks, back higher on the ridge to the north lie many "hard rock mines. These extend in a semicircle from the Mores Creek summit country around to Harris Creek Summit back of Placerville.

The district shown here is the Gambrinus district just north of Idaho City. Many rich veins of ore were struck in this area and altho none of the mines are active now, the gold in the area is by no means exhausted.

This map was prepared by Verne Clayton, a local mining man, who has been interested in various mines in the Gambrinus District for many years. Verne says there is still money to be made in "some of those old holes."

These mines as apposed to placers are shafts or tunnels dug down to veins of quartz rock carrying gold. This ore has to be brought to the surface and run thru a mill to separate the gold from the rock. While this type of mining has been unprofitable of late years, a raise in the price of gold would start up considerable activity in this area.



Claim Located See field notes 19

Mineral Survey No. 2928

LOT No. ——

Boise Land District.

PLAT

OF THE CLAIM OF

Louise D. Stewart

KNOWN AS THE

AMERICAN GIRL GROUP

IN Gambrinus MINING DISTRICT,

Boise COUNTY, Idaho

Containing an Area of 154.580 Acres.

Scale of 300 Feet to the inch.

Variation 19° E.

SURVEYED November 8-9, 1919 BY

Gordon C. Smith

U.S. ~~Deputy~~ Mineral Surveyor,

The Original Field Notes of the Survey of the Mining Claim of Louise D. Stewart known as the American Girl Group, comprising the American Girl No. 1, American Girl No. 2, Universal No. 1, Universal No. 2, Unexpected No. 1, Unexpected No. 2, Unexpected No. 3 and Louise lode claims from which this plat has been made under my direction, have been examined and approved, and are on file in this Office; and I hereby certify that they furnish such an accurate description of said Mining Claim, as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

~~I further certify that Five Hundred Dollars worth of labor has~~ been expended or improvements made upon said Mining Claim by claimant _____ or _____ grantors and that said improvements consist of: _____

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures ~~upon any other claim.~~

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

Edward Hedden

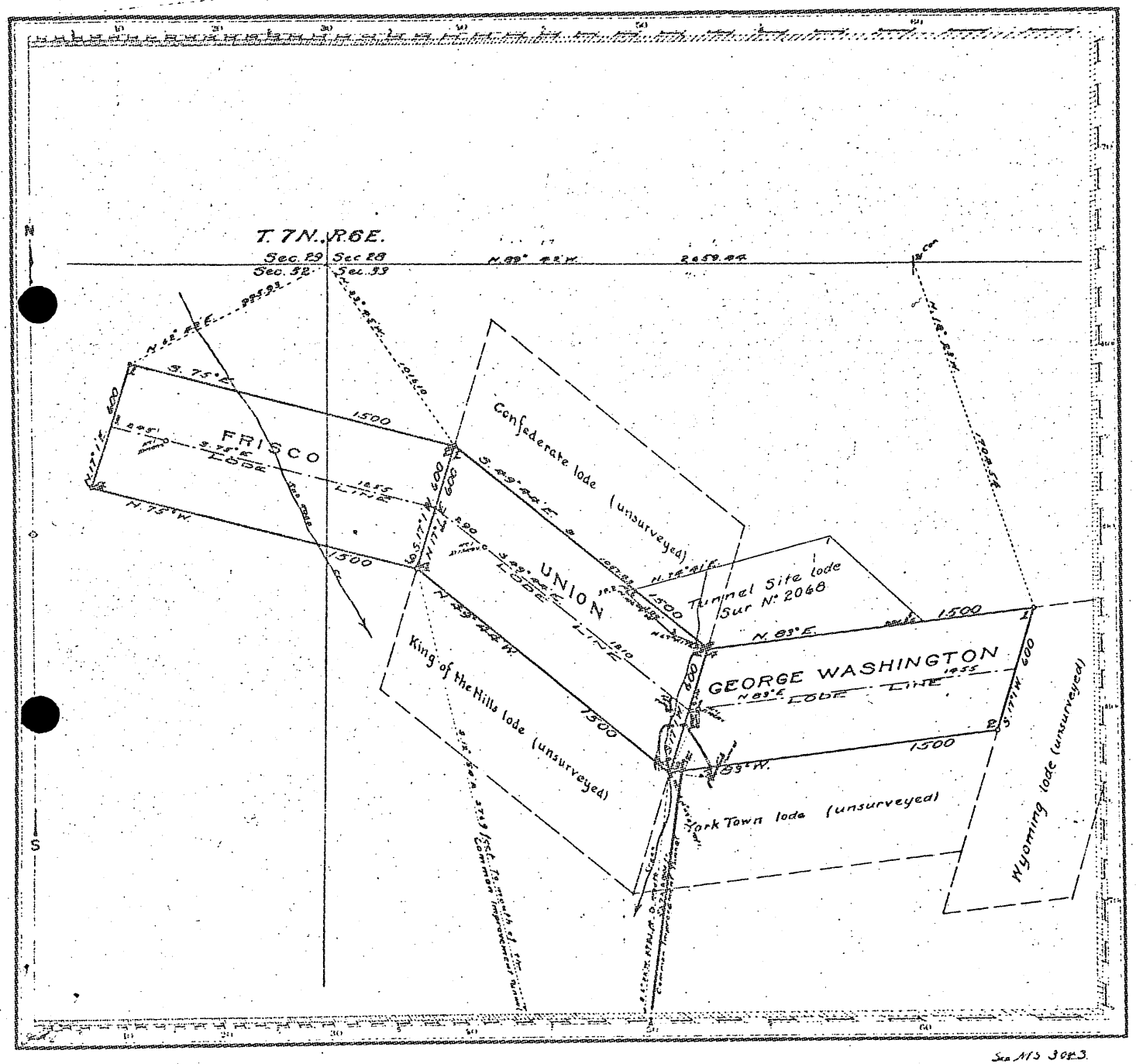
U.S. Surveyor General for Idaho

U.S. Surveyor Generals Office:

Boise, Idaho

February 4, 1920

(4-675)



Claim Located see field notes

Mineral Survey No. 3042 PATENTED

LOT No.———

Boise Land District.

PLAT

OF THE CLAIM OF

Monetary Metals Company

KNOWN AS THE

GEORGE WASHINGTON, UNION AND FRISCO LODES

IN Gambrinus MINING DISTRICT,
Boise COUNTY, Idaho
Containing an Area of Acres.
Scale of 400 feet to the inch.
Variation 21° E.
SURVEYED Oct. 12-13 1923 BY
Gordon C. Smith
U.S. Mineral Surveyor.

The Original Field Notes of the Survey of the Mining Claim of
Monetary Metals Company
known as the
GEORGE WASHINGTON GROUP
comprising the above named claims

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claim by claimant or its grantors and that said improvements consist of 2 tunnels and his interest in a tunnel.

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved

U.S. Surveyor General's Office,
Boise, Idaho
November 13, 1923

U.S. Surveyor General for Idaho

See MS 3083.
$36.90

R 6 E - B.M.

T 7N
6N

29 28

Sec. 31 Sec. 32 Sec. 33 Sec. 34

Sec. 6 Sec. 5 Sec. 4 Sec. 3

Sec. 7 Sec. 8 Sec. 9 Sec. 10

Sec. 18 Sec. 17 Sec. 16 Sec. 15

Sec. 19 Sec. 20 Sec. 21 Sec. 22

ILLINOIS MINE 67.28

ILLINOIS MILL

CABIN

NORTH

CANAL

MOORES CREEK

BOULDER CREEK

GOLD CREEK

NORTH

PRES. CLEVLD 1920

DEMOCRAT 1920

LAST DOLLAR

AVON 1920

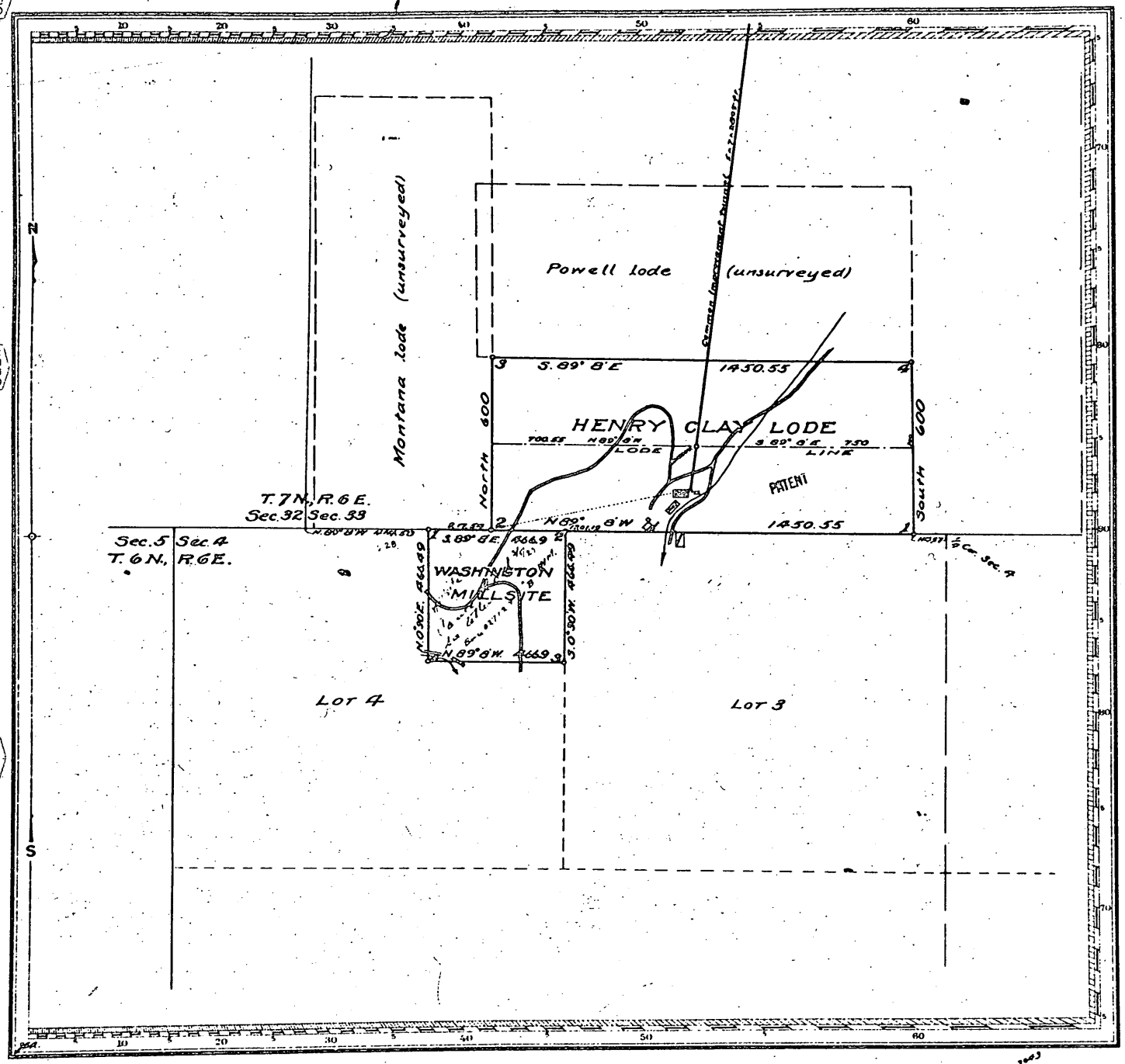
HENRY CLAY 3043-A

UNIVERSAL UNIVERSAL

W.C.O. 21 S.0°02' E.

XERO COPY

(4-675)



Claim Located see field notes 19

Mineral Survey No. 3043 A&B

Lot No.

Boise Land District.

PLAT

OF THE CLAIM OF

Monetary Metals Company

KNOWN AS THE

HENRY CLAY LODE AND WASHINGTON MILLSITE

IN Gambrinus MINING DISTRICT,
Boise COUNTY, Idaho
(Containing an Area of MILLSITE 3.000 } Acres
LODE 19.978
Scale of 300 Feet to the inch.
Variation 21° E.
SURVEYED October 12-13 1923 BY
Gordon C. Smith.
U.S. ~~Deputy~~ Mineral Surveyor;

The Original Field Notes of the Survey of the Mining Claim of Monetary Metals Company known as the

HENRY CLAY GROUP

Comprising the above named lode and millsite

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claim by claimant or its grantors and that said improvements consist of 7/8 interest in a tunnel.

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

U.S. Surveyor General's Office.
Boise, Idaho
November 14, 1923

Lloyd W. Evans
U.S. Surveyor General for
Idaho.

964 [illegible]

[illegible] per [illegible] $125.00
62.95
62.05

EXHIBIT 2 (a).1

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O. M. E.
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STATE OF IDAHO MINERAL LEASE

NO 4006

TYPE

QUARTZ

NAME AND ADDRESS

KING SOLOMON MINES, INC.

908 No. 30th.

Boise, Idaho

STATE OF IDAHO MINERAL LEASE

QUARTZ No. 4006.

THIS INDENTURE, made this 23rd day of March, 1966, by and between the STATE OF IDAHO, acting by and through the State Board of Land Commissioners, as party of the first part, hereinafter called the Lessor, and KING SOLOMON MINES, INC., of 908 North 30th., Boise, Idaho---------- as party of the second part, hereinafter called the Lessee, under and pursuant to Title 47, Chapter 7, Idaho Code, as amended,

WITNESSETH: That the Lessor, in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does lease and demise unto the Lessee exclusive right and privilege to mine upon veins or lodes of quartz, or other rock in place, bearing gold, silver, cinnebar, lead, uranium, tungsten, tin, copper, or other valuable deposits of associated minerals, upon or under the following lands lying situate in Boise---------- County, State of Idaho, more particularly described as follows, to-wit:

N½N½, S½NE¼, SE¼NW¼, NE¼SE¼, Sec. 8, NW¼SW¼, SW¼NW¼ Sec. 16, N½SW¼ Sec. 17, all in Twp. 6 N., Rge. 6 E., B.M. containing 480 acres, more or less Public School and Indemnity land,

together with the right to use and occupy so much of the surface of the said lands as may be required for all purposes reasonably incident to the mining, operation and removal of said minerals upon and subject to the conditions laid down in Title 47, Chapter 7, Idaho Code, as amended, for a period of ten (10) years from the date of this lease.

In consideration of the foregoing the Lessee hereby agrees;

RENTAL. 1 To pay to the Lessor as rental for each acre covered by this lease the sum of twenty-five cents (25¢) per acre per annum in advance, the first year's rental being , payment whereof is hereby acknowledged. Such rental for any rental year shall be deducted from the royalties as they accrue for that rental year.

ROYALTY. 2. To pay to the Lessor as royalty a percentage as set forth below, of the "total value" per ton of all ores, minerals, or precious metals produced from said property during the term of this lease: $0.00 to $16.00, 2.5%; $16.01 to $20.00, 3.0%; $20.01 to $25.00, 4.0%; $25.01 to $30.00, 5%; $30.01 to $35.00, 6.0%; $35.01 to $40.00, 8.0%; $40.01 to $50.00, 10.0%; $50.01 and up, 12.5%. The term "total value" shall be construed to mean the market value as determined by competent assay of the raw ore mineral or precious metals. Further "total value" shall mean the appraised values of any unsold ores, minerals, or other precious metals, left in stockpile, awaiting a more favorable market, at the termination of this lease. The royalty is paid on returns remaining after the following costs, and these costs only, are deducted: mining beneficiation and transportation. Taxes and depreciation are not allowable. The Lessee shall furnish to the Lessor at the time of making any settlement, duplicate copies of all mill, smelter, processor, or any purchaser's settlement returns together with duplicate figures showing the methods and amount claimed under deductible cost for mining, beneficiation and transportation. In the case of any ores, minerals, or precious metals, left in stockpile the value shall be determined by appraisers designated by the Lessor and Lessee and in the case of nonagreement a referee appraiser can be chosen by the delegated appraisers.

COMMENCE OPERATIONS. 3. To commence actual mining operations upon the land embraced herein within Twenty-four (24) months from the execution of this lease, and thereafter to diligently prospect, develop, and mine, in or upon the leased land, and that

all mining operations shall be done in a good and workmanlike manner, using the most approved methods of mining and to substantially protect all surface openings or workings where persons or animals are likely to be injured by falling therein, or endangered otherwise, except as the Lessor shall otherwise direct.

ASSIGNMENT. 4. This agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the Lessee, and the said Lessee may assign this lease, provided, however, that before any assignment shall take effect the said Lessee shall secure approval of the State Board of Land Commissioners.

STATEMENTS. 5. To furnish written statements in detail and in such form as may be prescribed or approved by the Lessor, showing the amount, quality, and value of all minerals produced during the preceding month as the basis for computing the royalties due the Lessor. The leased premises and all workings, improvements, machinery, and fixtures thereon or connected therewith, and all books and accounts of the Lessee whenever wanted shall be open at all times for the inspection of any person duly authorized by the State Board of Land Commissioners.

REPORTS. 6. To furnish annually and at such times as the State Board of Land Commissioners may require, in the manner and form prescribed by said Board a plat showing all development work and improvements on the leased lands, and in case it is advisable to prospect by diamond drilling, an itemized statement of actual cost of drilling, location of drill hole, and a complete log of each hole drilled; and other related information with a report as to all building, structures, or other work placed in or upon said leased lands, accompanied by a report in detail as to the stockholders, investments, depreciation and cost of operation, together with a statement as to the amount and grade of minerals produced and sold and the amount received therefor, by operations hereunder.

BULLION. 7. That all bullion taken from said premises shall be sold to the United States Mint or a branch or agency thereof, and the payment of royalties shall be accompanied by a copy of the mint returns from each and every shipment.

SALES RETURN. 8. That a copy of shipment or sales returns for all minerals sold from said premises shall accompany the royalty payment. In the event that no sale is made of certain minerals thus produced and the minerals left in stockpile, royalties shall be paid on these minerals at the termination of this lease, based on the highest market value, in stockpile, during the terms of this lease.

CLEAN-UPS. 9. The Lessee will notify the Lessor, by filing a written notice with the State Land Commissioner, of any clean-up at least five (5) days in advance of all clean-ups and that the Lessor shall have the right to have a representative or representatives present upon any dredge, machine or device used by the Lessee at the time of any and all clean-ups.

TERMINATION. 10. To deliver up the premises leased with all permanent improvements thereon in good order and condition upon termination of, cancellation or forfeiture of this lease.

TAXES. 11. To pay when due all taxes and assessments of any kind lawfully assessed and levied under the laws of the State of Idaho.

SUBJECT TO STATUTES. 12. To comply with and be subject in all respects to the conditions, limitations, penalties and provisions contained in Title 47, Chapter 7, Idaho Code, as amended, which are hereby made a part hereof to the same extent as if incorporated herein, and be subject also to the conditions, limitations, penalties and provisions of applicable Federal statutes and laws of the State of Idaho regarding the operations of mines and of provisions of the Workman's Compensation and State Fire Laws of the State of Idaho

OTHER MINERALS. 13. The prospecting and mining rights and privileges leased as aforesaid extend to and include only gold, silver, cinnebar, lead, uranium, tungsten, tin, copper, or other valuable deposits of associated minerals, in place on lode or quartz or other rock, and that no right or privilege respecting any other kind or

character of mineral, or minerals, is granted or intended to be granted by this lease, but the Lessee shall promptly notify the Lessor of the discovery of any valuable minerals other than those covered by this lease; nor shall this lease be construed to prohibit the leasing of the lands in question for any purpose, including mining, other than for those minerals specifically covered herein.

CANCELLATION. 14. That upon failure to pay rentals or royalties, as herein provided, or upon failure to comply with any of the conditions, provisions or covenants of this lease, the Lessor may at its option, after thirty (30) days' notice by registered mail to the Lessee or Lessee's assigns, cancel the lease.

FORFEITURE. 15. That upon failure, or refusal, of the Lessee to accept the readjustment of terms and conditions demanded by the Lessor at the end of the period of this lease within thirty (30) days after the expiration thereof, such failure or refusal shall work a forfeiture of any right of the Lessee. Improvements, as defined by Section 47-705, Idaho Code, on expiration, cancellation, or forfeiture, of this lease, shall become property of the State of Idaho as provided for in Section 47-705, Idaho Code.

TERMINATION. 16. That the Lessee may terminate this lease at any time upon giving one (1) month's notice in writing to the Lessor, and upon payment of all rents and royalties and other sums due and payable to the Lessor, and complying with the other terms of this lease.

EASEMENTS. 17. There is expressly reserved the right to permit for joint or several use such easement or right of way upon, through, or in, the lands hereby leased, occupied, or used, as may be necessary or appropriate to the working of the same or of other lands containing mineral deposits, and the treatment and shipment of products hereof by or under authority of the Lessor, its lessees or permittees, for other public purposes.

SURFACE RIGHTS. 18. There is further reserved the right to lease, sell, or otherwise dispose of the surface of the lands embraced within this lease, for any purpose, grazing, mining, agricultural, or otherwise, insofar as said surface is not necessary for the use of the Lessee in the extraction and removal of the minerals therein, and the said Lessee also agrees to take this lease subject to any outstanding leases or contracts for sale by the State of Idaho of any kind whatsoever.

WATERING HOLE. 19. That the Lessee, or Lessee's assigns, shall not at any time fence any watering place upon these lands where the same is the only accessible and feasible watering place within a radius of one (1) mile, nor shall these premises, or any part thereof, be used in such manner that the waters running in the natural streams or creeks upon said lands or waters from said lands which may reach natural streams or creeks be polluted and made unfit for domestic or for irrigation use, and it is hereby made the duty of the Lessee to see that such waters are not so polluted, or made unfit for such uses.

TIMBER. 20. That the Lessee shall not interfere with the removal of timber purchased prior or subsequent to the issuance of this lease, nor shall the Lessee cut and/or remove any timber on said land without complying with the laws of this State respecting the cutting and/or removal of said State timber, and said Lessee shall be responsible to the State of Idaho and also to injured third parties for damage to State timber or timber purchased from the State and relating to the lands embraced within this lease.

SUCCESSION. 21. That every obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to the heirs, successors, executors, administrators and assigns of the respective parties thereto.

EXCAVATION. 22. That there will be no use of any heavy excavating equipment for the prospecting of the surface of this lease. In the event that the Lessee desires to so prospect, he must secure the written approval of the Lessor, outlining his method and the area to be excavated.

BOND. 23. That the Lessee shall provide a bond in the amount of one thousand dollars ($1,000.00) to guarantee the fulfillment of and compliance with all of the terms and conditions of this lease, except the payment of rentals and royalties, and in particular for the protection of surface rights. It is further agreed that the State Land Commissioner may require said bond to be increased to a maximum of six thousand dollars ($6,000.00) when, in his judgement, the nature of the Lessee's operation warrants such increase.

STATE BOARD OF LAND COMMISSIONERS

Countersigned

Louis E. Clapp
Secretary of State

O. J. Buxton
State Land Commissioner

Robert E. Smylie
Governor of the State of Idaho and President of the State Board of Land Commissioners

True Copy of Governor's facsimile signature, authorized by Section 59-1019 Idaho Code

King Salomon Mines
Lessee

By Kurt Kendall
Lessee Secretary Treasurer

State of Idaho)
) ss
County of Ada)

On this 8 day of August, 1966, before me a notary public in and for said State, personally appeared ROBERT E. SMYLIE, known to me to be the Governor of the State of Idaho and President of the State Board of Land Commissioners, LOUIS E. CLAPP, known to me to be the Secretary of State of Idaho, and O. J. BUXTON, known to me to be the State Land Commissioner of the State of Idaho, that executed the said instrument and acknowledged to me that such State Board of Land Commissioners and State of Idaho executed same.

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

Notary Public residing at Boise, Idaho

My Commission expires

3-5-67

State of Idaho)
) ss.
County of Ada)

On this 10 day of August, 1966, before me, the undersigned, a notary public in and for said State, personally appeared Keith Kendall

(INDIVIDUAL - Strike out if not applicable)

~~known to me to be the person whose name is/are subscribed to the foregoing instrument and acknowledged to me that they executed the same.~~

(PARTNERSHIP - Strike out if not applicable)

~~one of the partnership of _____ and the partner of one of the partners who subscribed said partnership's name to the foregoing instrument, and acknowledged to me that they executed the same in the said partnership name.~~

(CORPORATION - Strike out if not applicable)

the King Solomon Mines Inc of the corporation that executed the foregoing instrument or the person who executed the said instrument on behalf of the said corporation and acknowledged to me that such corporation executed the same.

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

Kenneth Lowe
Notary Public residing at
City of Boise
State of Idaho

My commission expires
3/9/68

Ex 2 (a) · 2

PART 1

AGREEMENT

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 29 1967
INITIALS | CODE

THIS AGREEMENT, Made and entered into this first day of February, 1967, by and between I. A. Anderson and Ruth E. Anderson, husband and wife, of Boise, County of Ada, State of Idaho, parties of the first part, hereinafter called "Lessor," and King Solomon Mines, Inc., an Idaho corporation, party of the second part, hereinafter called "Lessee,"

W I T N E S S E T H: THAT

WHEREAS, Lessor is owner of the following described property situate in the County of Boise, State of Idaho, and more particularly described as follows, to-wit:

All that part of the American Girl group of patented mineral claims lying in the SE¼ of Section 9, T. 6 N., R. 6 E., B.M., lying southeasterly of a line fifty (50') feet east of the centerline of More's Creek as presently existing and located, and that part of NE¼SE¼ and W½SE¼, of Section 9, T.6 N., R. 6 E., B.M., lying east of said line being fifty (50') feet east and parallel to the centerline of More's Creek; and those patented mineral claims lying in the SE¼ of Section 4 and NE¼ of Section 9, T. 6 N., R. 6 E., B. M., within the American Girl group of mining claims described as "American Girl No. 1, Universal No. 1; Unexpected Nos. 1, 2 and 3, and Louise," and all that part of mineral claims American Girl No. 2 and Universal No. 2 lying west of a line 250 feet northwesterly and parallel to the centerline of the state highway as now existing and located through the SE¼NE¼ of said Section 9; containing in all approximately 200 acres.

WHEREAS, Lessee believes that the above described lands contain valuable minerals, but Lessor does not desire to engage in the business of mining; and Lessee is desirous of conducting exploration, development and mining work on said premises to ascertain if minerals of sufficient value are disclosed to warrant further development,

NOW, THEREFORE, Lessor, for and in consideration of the sum of Four Hundred ($400) Dollars, lawful money of the United States of America, the receipt of which is hereby acknowledged, and in consideration of the royalty payments hereinafter set forth, and the covenants and agreements of the Lessee herein contained, does hereby lease to the Lessee all veins, lodes and deposits of ores, minerals and valuable materials under the surface of the above described lands together with so much only of the surface of the above described lands on and on each side of said veins, lodes and deposits as is necessary for the convenient working of said veins, lodes and deposits, together with the right of ingress to and egress from said veins, lodes and deposits, and hereby grants to Lessee the right to prospect and mine the same, and the Lessee shall have and hold the a foresaid property under the terms of this agreement for a period ending June 30, 1968, to prospect, test, excavate, develop, drill and explore the same at Lessee's own discretion and expense.

1. If ores of commercial value are ascertained to be in existence so as to warrant the continuation of this agreement, upon payment of the further sum of $60.00 on the first day of July, and a like sum of the first day of August, September, October and November, 1968, until not less than Three Hundred ($300) Dollars shall have been so paid by Lessee to Lessor, this agreement may be extended for an additional year; and this agreement may be extended so long after the above term as the Lessee makes the monthly and annual payments herein provided for, and performs all the terms and conditions of this lease by Lessee to be performed; but in no event shall the term of this lease be extended beyond the time when ores in commercial quantities can be extracted from said premises, or beyond June 30, 1989; said lease, prospecting rights and the right of ingress and egress being subject, however to the following reservations, and there is hereby reserved to and by the Lessor:

(a) All rights of way, ditches, public highways, easements and private ways of every kind and nature heretofore granted and conveyed and relating to or affecting the above described property; all the surface and surface rights, including all things thereon or to be theron, except such as shall be necessary for the convenient working of said veins, lodes and deposits as aforesaid;

(b) The right on the part of the Lessor, their heirs, administrators and assigns, or its lessees (other than the lessee herein) to all grazing rights, cabin site rights, and to all timber and other trees and growth standing, growing or being or to be upon said lands;

(c) Also the right of the Lessor, their heirs, administrators, assigns and lessees (other than the lessee herein), its or their servants, agents, workmen, teams and equipment in full, unimpeded and free liberty of, and access to, and entry upon, including all rights of way in, through, and upon said lands for the purpose of felling, cutting and removing trees, or otherwise fully possessing, using, employing or enjoying the surface, surface rights and growth and things thereon or to be thereon, and with the right and privilege of constructing, maintaining and operating roads, trails and any other facility convenient therefor;

(d) The right to lease, sell or encumber said land and timber and dispose of the same at any time the said Lessor or its assigns may desire, subject to this lease.

2. For and in consideration of the granting of this lease, the Lessee covenants and agrees:

(a) To cause all work hereunder to be done in a careful and minerlike manner, with due regard for the preservation of any timber, springs, streams, or roads and/or roadways on the said premises, and to exercise such of the surface rights herein leased so as not to interfere in any way, or to delay or interrupt the Lessor in its use of the property and the rights herein reserved;

(b) That everything, improvements or structures, done, made, authorized or directed by or for the Lessee in connection with, or arising from, the properties hereby leased, or the operations of Lessee, shall be at the sole expense of Lessee and Lessee agrees and covenants to keep the property, and the whole thereof, free and clear of all liens therefor of whatsoever kind or character, and not to suffer or permit any thereof to be filed or claimed or to be incurred by the Lessee, its agents, servants, or employees, and to hold the Lessor and its property harmless from any and all liens or claims of every kind and character whether for wages, materials, supplies, damages, or indebtedness of whatsoever character or nature created by the Lessee, or by its servants, agents or employees, or otherwise, by reason of the Lessee's possession of and working on or in connection with said leased property, or by reason of its having taken this lease upon said property;

(c) All times to keep in force an adequate amount of workmen's compensation insurance and to pay all social security and other taxes that may be payable by or levied or assessed against the Lessee, and particularly to pay wha t is commonly called the Mines License Tax, and all other severance licenses and taxes, and also taxes as provided for by Chapter 159 of the 1941 Session Laws of the State of Idaho, or amendments thereto;

(d) To post in a conspicuous place where the same can be easily seen and read the following notice along any road upon the above described premises used by the Lessee, and not less than three per mile and in, a nd upon said premises, and at each and every place where any work is intended to be done or is performed, and at any and every boarding house, office, bunk house, pit, tunnel, construction work, and camp maintained on or in connection with Lessee's operations of said leased premises, on said premises; said notice being in the following words:

NOTICE TO WORKMEN, CONTRACTORS AND MATERIALMEN

NOTICE IS HEREBY GIVEN:

FIRST: That the owner of this property is I. A. Anderson and Ruth E. Anderson, Boise, Idaho.

SECOND: That the persons or company engaged in working this property is King Solomon Mines, Inc., Idaho City, Idaho.

THIRD: That neither I. A. Anderson and Ruth E. Anderson, the owners, nor this property is liable for, or in any way responsible for, the payment of wages, or for supplie s or ma terials, and all laborers, workmen, contractors and materialmen must look to King Solomon Mines, Inc., the Lessee, for payment.

DATED February 1, 1967.

I. A. Anderson (Lessor)
Ruth E. Anderson (Lessor)
KING SOLOMON MINES, INC.
by J. H. McKnight, President (Lessee)

(e) As rent the Lessee agrees to pay to the Lessor ten (10%) per cent of all smelter, mint and/or market returns from any and all ores, minerals and/or values taken, mined, or extracted from the above described lands, less cost of transportation paid by Lessee if transported to a smelter, at lowest public carrier rates on raw concentrates from mine a nd/or mill to said smelter, and ~~to cause any and all~~ returns of whatsoever kind or character or any product shipped from the above described lands to be deposited in the Idaho First National Bank, Head Office, Boise, Idaho, by said smelter if so transported by Lessee, as follows: Ten per cent (10%) thereof to the credit of Lessor, the remainder to the credit of Lessee.

(f) To furnish to the Lessor as soon as received, copies of all mint, mill, smelter and/or market returns, and to hold the originals of all such returns, subject to inspection or copying the same by and for Lessor;

(g) To furnish to the Lessor within ten (10) days after receipt thereof by Lessee, a copy of all drill logs, assay reports, core analyses and assays, engineering reports, and any and all other prospecting and mining data relating to the above described lands that may come into the possession of the Lessee;

(h) To pay to the Lessor beginning on the first day of July, 1968, as a guaranteed royalty, the sum of $60.00, and the sum of $60,00 on or before the first day of August, September, October and November, 1968, and like sums on these same days during each and every year thereafter during the life of this lease agreement; and failure to make said payments shall at once give Lessor the right and option to declare a forfeiture of all the rights of Lessee under this lease and in or to said property; PROVIDED, HOWEVER, that any amounts paid to the Lessor after the first day of July, 1968, and between the first day of any month and the first day of the following month on account of any returns deposited in the Idaho First National Bank as herein provided, shall apply on said monthly payment next becoming due;

(i) To furnish to the Lessor all information, including any and all mint, mill, smelter and/or market returns, correspondence and bank statements which the Lessor may require in order to assure it that it is receiving the amount of rental from said property herein provided for, and to permit the Lessor at any and all times to inspect the books of account, payrolls, correspondence, and any and all other records and supporting data for the purpose of enabling the Lessor to determine whether the Lessee is paying all of the debts or claims incurred by the Lessee;

(j) To do all work done and performed hereunder in a good and miner-like manner;

(k) Not to record this instrument until it is acknowledged by the Lessor;

(l) To at once begin prospecting for minerals.

(m) To carry adequate insurance coverage to fully protect all parties hereto from any and all claims, and that Lessor will be furnished copies of said insurance policies or certificates of insurance stating said insurance policies are to remain effective during the life of this agreement. A review of insurance coverage shall be made each year as to the sufficiency thereof, and by agreement of the parties hereto this coverage shall be either increased or decreased.

(n) Lessee is expressly granted the right by Lessor to terminate this agreement and surrender the property to Lessor at any time upon the giving of sixty (60) days' written notice to Lessor of its intention so to do. Upon any termination of this lease as herein provided, the parties shall be under no further obligation to each other (except for the paying of accounts then due, and the payment of any royalties or rentals which may then be due) insofar as this agreement relates to the property surrendered.

3. In the event that it should for any reason be determined that the Lessor does not have title to any minerals, ores, deposits or values in and upon said lands, the Lessee agrees to at once locate or otherwise acquire the same in the name of and for the use and benefit of the Lessor under the applicable laws, rules a nd regulations and the same shall at once become a part of the property hereby leased, and Lessee agrees to pay to the Lessor the amounts and make the deposits herein provided for, and all the terms and conditions of this lease shall apply to all such minerals, ores, deposits and values.

4. All ores, concentrates or metals except as in this paragraph provided shall be shipped and marketed in the name of the Lessee, to the smelter, custom mill or other buyer offering at the time the best net price obtainable, and the "net smelter returns" receivable by Lessee accounted for as herein provided. Excepting, however, if it is necessary that the said ore, concentrates or metals be shipped and marketed in the names of both parties hereto in order to establish the right of each party to its proportionate share of the depletion allowance in the computation of income tax, then and in that circumstance the same shall be marketed in the names of both parties, as the respective interest of each appear in paragraph (e) of Section 2 hereinabove.

5. If the Lessee shall be delayed at any time during the period of this agreement in keeping or performing any agreement on its part to be kept or performed according to the terms and provisions hereof by War, strikes, lockouts, fire, unavoidable delays in transportation and unavoidable casualties, and Acts of God, such delay or failure of performance by reason thereof, shall not be deemed a breach of this agreement or a default on the part of the Lessee constituting a cause for forfeiture, and Lessee agrees to use all reasonable diligence to remove such causes of disability.

6. It is expressly agreed that time is of the essence of this mining lease and in the event the Lessee fails to perform each and every term and condition of this agreement by Lessee to be performed, strictly and promptly in accordance with the terms and within the time herein specified, then and in that event, the Lessor shall notify the Lessee by written notice, using certified mail, specifying the particulars in which it claims the Lessee has failed to perform the terms of this agreement (except the failure to make the deposits or the payments herein provided for or the failure to perform the conditions of subdivision (b) of Paragraph 2., the said written notice to be served upon the Lessee by personal service upon J. H. McKnight, president, or by registering by certified mail the same to KING SOLOMON MINES, INC., Idaho City, Idaho; and if the Lessee within thirty (30) days after the service of said notice, or the mailing thereof by certified mail as aforesaid, has failed to perform any term or terms of this agreement strictly in accordance with the terms hereof, then and in that event, the rights of the Lessee, and Lessee's assigns, shall terminate, and all payments which shall have been made by the Lessee, or Lessee's assigns, and all improvements, buildings, pipe and track in place, and payments made shall be considered as rental for the use of said property, and within thirty (30) days after the giving of notice as herein provided the Lessee will at once surrender said premises to the Lessor, it being agreed, however that after the termination of this lease or forfeiture as herein provided, the said Lessee shall have ninety (90) days in which to remove all tools, machinery, personal property and equipment, except buildings, pipe a nd track in place on said lands; PROVIDED, HOWEVER, that failure to deposit at once returns with the Idaho First National Bank to the credit of Lessor, or the failure to make the payments herein provided for, and the failure to perform the conditions of subdivision (b) of Paragraph 2, shall be such a default as at once shall give to the Lessor the right and option to forfeit the rights of the Lessee hereunder, and no notice of such failure need be given before a declaration of such forfeiture. No waiver of, and no failure or neglect on the part of Lessor to give notice of a default or defaults shall affect any subsequent default or impair Lessor's right resulting therefrom.

7. In the event the Lessee at any time desires to abandon this lease and surrender its right to prospect and mine the above described leased ground and its right to ingress and egress therefrom, it may do so by mailing a written notice thereof by certified mail, and the effective date thereof, to the Lessor at 1305 Shoshone Street, Boise, Idaho, and the Lessee, upon the effective date thereof (not less than sixty (60) days from date of notice) shall be relieved of any and all obligations further to prospect or mine the same, or to make payments thereafter accruing, except Lessee shall account for and pay all payments theretofore becoming due or earned, and shall account for all ores taken from said property.

8. Upon termination of this agreement either by limitation or otherwise, Lessee shall deliver up the property to Lessor in good order and condition and with all mine workings used by Lessee in its mining operations in condition suitable for continued operation, in the event Lessor may operate the property if it so elects.

9. It is expressly agreed that the Lessor may assign this lease, that the Lessee shall not sell or assign the same, or any interest therein, and shall not sublet the leased property, or any part thereof, without first securing the written consent of the Lessor. All the terms and conditions of this lease to be performed by the Lessee shall extend to, and bind, and be applicable to any assignee of the Lessee.

10. This lease cannot be altered, modified or deviated from, unless such alteration, modification, or deviation shall be in writing and signed by the parties hereto.

11. Lessee agrees to present its plans to Lessor in advance of prospecting and mining involving the surface of the above described lands, and agrees to furnish Lessor a bond in the sum of $2,000 if requested to do so by Lessor, prior to commencing any such work involving the surface, at any time during this lease, to insure Lessor against any excessive damage to the terrain or existing timber stands. Should excessive damage become evident during the term of this lease, or at the termination thereof, the parties will attempt to arrive at an amicable settlement of such damage.

12. Any notice herein provided for shall be sufficiently given if posted by certified mail addressed to the party entitled to receive the same as follows:

To: I. A. Anderson and Ruth E. Anderson
1305 Shoshone Street
Boise, Idaho (Lessor)

To: King Solomon Mines, Inc.
c/o J. H. McKnight, President
Idaho City, Idaho (Lessee)

13. It is agreed that this lease shall not be recorded until it is acknowledged by the Lessor. Lessee agrees to acknowledge this lease upon its execution and signing. Lessor, however, agrees it will acknowledge this lease after receipt by it of $2,500 in mining royalties therefrom.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year first above written, at Boise, Ada County, Idaho.

/s/ I. A. Anderson
I. A. Anderson (Lessor)

/s/ Ruth E. Anderson
Ruth E. Anderson (Lessor)

KING SOLOMON MINES, INC.

by /s/ J. H. McKnight
President (Lessee)

ATTEST:

/s/ Paul D. Nelson
Secretary

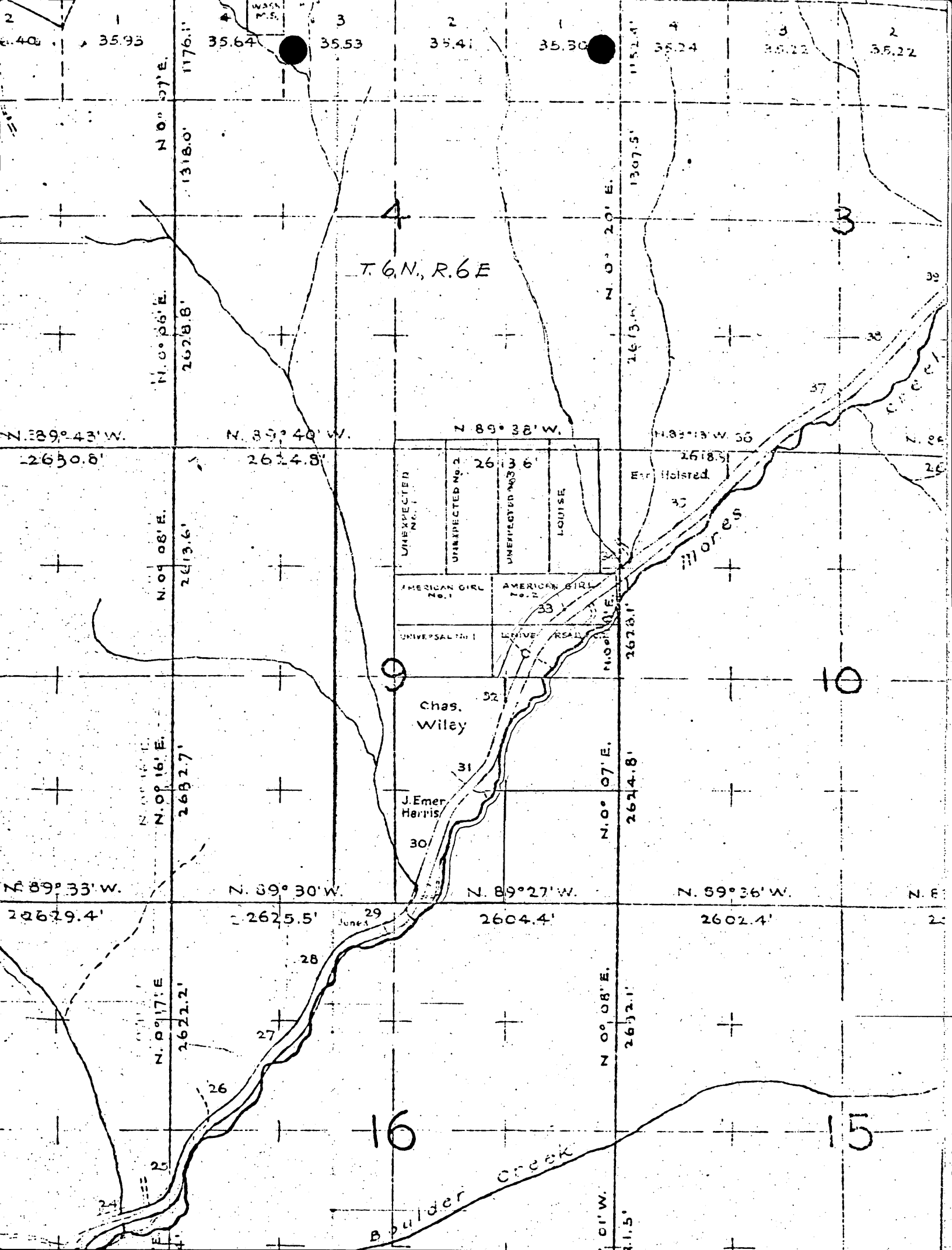
(S E A L)

STATE OF IDAHO)
) ss.
County of Ada)

On this 27th day of February, 1967, before me, the undersigned, a Notary Public in and for said State, personally appeared J. H. McKnight, known to me to be the president of the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

/s/ Harry A. Teilmann
Notary Public for the State of Idaho
Residing at Boise, Idaho.


T. 6 N., R. 6 E
4
3
9
10
16
15
N. 89° 43' W.
2630.8'
N. 89° 40' W.
2624.8'
N. 89° 38' W.
2613.6'
N. 89° 33' W.
2629.4'
N. 89° 30' W.
2625.5'
N. 89° 27' W.
2604.4'
N. 89° 36' W.
2602.4'
UNEXPECTED No. 1
UNEXPECTED No. 2
UNEXPECTED No. 3
LOUISE
AMERICAN GIRL No. 1
AMERICAN GIRL No. 2
UNIVERSAL No. 1
UNIVERSAL
Chas. Wiley
J. Emer Harris
Holsted
Moores
Boulder Creek
35.93
35.64
35.53
35.41
35.30
35.24
35.22
35.22
1176.1'
1318.0'
2628.8'
2613.6'
2624.8'
2632.7'
2622.2'
2632.1'
N. 0° 07' E.
N. 0° 20' E.
N. 0° 08' E.
N. 0° 16' E.
N. 0° 17' E.
N. 0° 07' E.
N. 0° 08' E.
N. 0° 01' W.
38
37
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OFFICIAL
COPY
G. M. M.
RECEIVED

Ex 2 (a) 2
PART 2

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, Made and entered into this tenth day of February, 1967, by and between I. A. ANDERSON and RUTH E. ANDERSON, husband and wife of Boise, Ada County, Idaho, hereinafter designated as "Lessors," and KING SOLOMON MINES, INC., ~~an Idaho~~ corporation, hereinafter designated as "Lessee,"

W I T N E S S E T H: that

WHEREAS, on the first day of February, 1967, the parties hereto entered into a mineral lease agreement covering approximately 200 acres lying in Sections 4 and 9, T. 6 N., R. 6 E., B.M., reference to which is hereby made, and

WHEREAS, it is desired by the parties hereto to supplement said agreement to include additional lands owned by Lessors lying in the same township in Boise County, Idaho, described as

> The Southwest Quarter of the Northeast Quarter (SW¼NE¼) of Section Eight (8); and the North Half of the Northeast Quarter of the Northeast Quarter (N½NE¼NE¼), and East Half of the Northwest Quarter of the Northeast Quarter (E½NW¼NE¼) of Section Seven (7); all in Township 6 North of Range 6 East, B. M., and containing 80 acres, more or less, according to government survey.

NOW, THEREFORE, Lessors, for and in consideration of the additional sum of One Hundred Twenty-five and no/100 ($125.00) Dollars, lawful money of the United States of America, the receipt of which is hereby acknowledged, and in consideration of the premises and the royalty payments hereinafter set forth, and the covenants and agreements of the Lessee contained herein and contained in the original lease agreement above described, does hereby lease to the lessee all veins, lodes and deposits of ores, minerals and valuable materials under the surface of the above described lands, together with so much only of the surface along and on each side of said veins, lodes and deposits, together with the right of ingress to and egress from said lands at any and all times by itself, its agents, laborers and assigns, with vehicles, instruments and mining equipment, and to erect thereon and/or remove suitable paraphernalia necessary for the purpose of prospecting for or removing and processing minerals; and Lessors do hereby grant to Lessee the right to prospect and mine the same, and Lessee shall have and hold the aforesaid property under the terms of this supplemental agreement for a period ending June 30, 1968, with provision for automatic extension of same for a total period of ten (10) additional years, providing ores in commercial qualtities are extracted from said lands, or from the lands then remaining under the terms of this supplemental agreement, prior to June 30, 1968 and thereafter during its term or existence.

ls.

1. Subject to adjustments through possible purchases of part of the above described lands by Lessee through the exercise of the option included herein, if ores of commercial value are ascertained to be in existence so as to warrant the continuation of this agreement as provided above, upon the payment of the further sum of twenty-five ($25) dollars for each twenty acre tract of land then remaining under the terms of this supplemental agreement, or a total sum of $20.00 on the first day of July, and a like sum on the first day of August, September, October and November, 1968, until not less than One Hundred ($100) Dollars (or not more than $25.00 for each remaining twenty acre tract, as the case might then be) shall have been so paid by Lessee to Lessors, this agreement may be extended for an additional year; and it is herein provided that this agreement may be extended so long after the above term as the Lessee makes the monthly and annual payments herein provided for, and performs all the terms and conditions of this lease by Lessee to be performed; but in no event shall the term of this lease be extended beyond the time when ores in commercial quantities can be extracted from said premises, or beyond June 30, 1989.

2. As rent the Lessee agrees to pay to the Lessors five (5%) per cent of all smelter, mint, and/or market returns from any and all ores, minerals and/or values taken, mined, or extracted from the SW$\frac{1}{4}$NE$\frac{1}{4}$, of Section 8, T. 6 N., R. 6 E., B. M. (in lieu of the royalties described and set forth in the original mineral lease agreement of February 1, 1967 between the parties hereto), less cost of transportation paid by Lessee if transported to a smelter, at lowest public carrier rates on raw concentrates from mine and/or mill to said smelter.

Also, as rent the Lessee further agrees to pay to the Lessor ten (10%) per cent of all smelter, mint, and/or market returns from any and all ores, minerals, and/or values taken, mined or extracted from the N$\frac{1}{2}$NE$\frac{1}{4}$NE$\frac{1}{4}$ and/or E$\frac{1}{2}$NW$\frac{1}{4}$NE$\frac{1}{4}$, Section 7, T. 6 N., R. 6 E., B. M.

3. It is understood that Lessee has negotiated a mineral lease with the State of Idaho covering said SW$\frac{1}{4}$NE$\frac{1}{4}$, Section 8, T. 6 N., R. 6 E., B.M. (40 acres), and agrees with Lessors that Lessee will abide by all conditions and stipulations and meet all payments of it so required therein, prior to the time they become due and/or payable; and, further, is is agreed that in the event Lessee desires to discontinue said lease with the State of Idaho and/or this mineral lease agreement, or should it become necessary in order to show the respective interest of both parties hereto as provided under Section 4 (page 5) of the original mineral agreement between the parties hereto, herein referred to, Lessee agrees to assign its right and title to said mineral lease with the State of Idaho to said Lessors, their heirs, administrators or assigns. It is further understood a d agreed that the royalties provided herein to be paid to Lessors covering ores, minerals and/or values removed from said SW$\frac{1}{4}$NE$\frac{1}{4}$, Section 8, shall be in addition to those paid by Lessee to the State of Idaho.

4. It is agreed that this supplemental lease agreement shall not be recorded by Lessee until it is acknowledged by the Lessors. Lessee agrees to acknowledge this lease upon its execution and signing. Lessor, however, agrees it will acknowledge this lease after receipt by it of $1,000 in mining royalties therefrom.

5. All other terms, stipulations, conditions and agreements contained in the original mineral agreement dated February 1, 1967 between the parties hereto, copy of which is attached and made a part hereof by reference thereto, shall be and remain a part of this supplemental agreement.

6. The following options to Lessee are made a part of this agreement:

O P T I O N S

As a part of the consideration first above named, it is further agreed between the parties hereto, King Solomon Mines, Inc. shall have the option prior to June 30, 1967, subject to the reservations and royalties herein provided and described, to purchase for cash any or all of the hereinafter described lands, as follows:

T. 6 N., R. 6 E., B. M.

(a)	Section 7	N½NE¼NE¼	20 acres	$ 11,000.00
(b)	Section 7	E½NW¼NE¼	20 acres	15,500.00
(c)	Section 8	SW¼NE¼	40 acres	5,500.00

Should said purchase option be exercised and completed in whole or in part as herein provided, Lessors agree to convey by good and sufficient deed the title to the lands selected by Lessee under said option, transferring all their right, title and interest in and to said parcel or parcels selected under the option, except the provision for continuing reduced royalty payments by Lessee, its successors or assigns, to Lessors, as follows:

On each or any one of the three described parcels of land above designated as (a), (b), and (c), so selected for deed to Lessee, after Lessee has received $100,000.00 in smelter, mint, and/or market returns from ores, minerals or values extracted by Lessee from such parcel, Lessee hereby agrees with Lessors that Lessee, its successors or assigns, shall pay to Lessor immediately after said $100,000 has been so received by it, the sum of $1,000.00 as additional royalty for each and every $200,000 or part thereof so extracted from said parcel. This reservation shall be and remain a part of the realty, and run with the land.

THIS OPTION AGREEMENT shall expire June 30, 1967, after which it shall be of no further force and effect except for the reduced royalty payments therein described.

IN WITNESS WHEREOF, the parties hereto have executed this option and supplemental agreement this tenth day of February, 1967, at Boise, Idaho.

/S/ I. A. Anderson (Lessor)
I. A. Anderson

/S/ Ruth E. Anderson (Lessor)
Ruth E. Anderson

KING SOLOMON MINES, INC.

by /S/ J. H. McKnight (Lessee)
President

ATTEST:

/S/ Paul D Nelson
Secretary

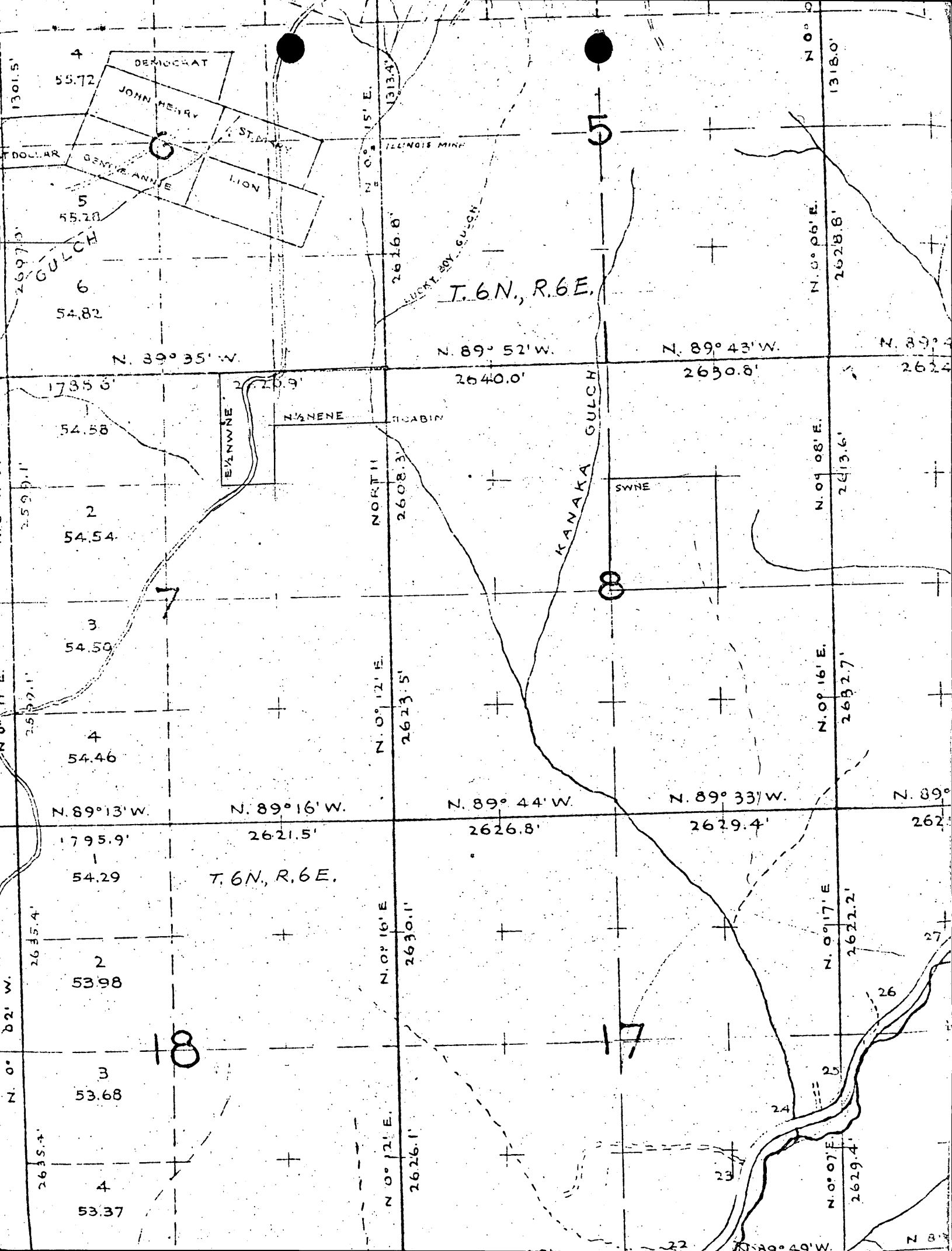
STATE OF IDAHO)
) ss.
County of Ada)

On this 27 day of February, 1967, before me, the undersigned, a Notary Public in and for said State, personally appeared J.H.McKnight, known to me to be the president of the corporation that executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

/S/ Harry A. Teilmann
Notary Public for the State of Idaho
Residing at Boise, Idaho.

4s.


DEMOCRAT
JOHN HENRY
STANLEY
DOLLAR
GENERAL ANNIE
LION
ILLINOIS MINE
LUCKY BOY GULCH
T. 6 N., R. 6 E.
N. 89° 35' W.
N. 89° 52' W.
N. 89° 43' W.
N. 89° 13' W.
N. 89° 16' W.
N. 89° 44' W.
N. 89° 33' W.
N. 89° 49' W.
N½NENE
CABIN
E½NWNE
SWNE
NORTH
KANAKA GULCH
T. 6 N., R. 6 E.
N. 0° 15' E.
N. 0° 06' E.
N. 0° 08' E.
N. 0° 16' E.
N. 0° 12' E.
N. 0° 17' E.
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2632.7'
1795.9'
2621.5'
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2622.2'
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MINERAL LEASE AGREEMENT

THIS AGREEMENT, made and executed this 15th day of March 1967 by and between ADALINE JOHNESSE and MARY L. JOHNESSE of CABIN JOHN, County of MONTGOMERY, State of MARYLAND, parties of the first part, hereinafter called Lessor, and KING SOLOMON MINES, INC., of Idaho City, County of Boise, State of Idaho, an Idaho corporation, party of the second part and hereinafter called Lessee; witnesseth:

Whereas, the Lessor is the owner of certain leasehold interests in real estate situate in the County of Boise, State of Idaho, and more particularly described as follows, to-wit:

The Washington Group of Patented claims as shown on the attached Plat, Located in Twp. 7 N, Rge. 6 E, and the Henry Clay Lode, Also shown on the second attached Plat, located in Twp. 7 N, Rge. 6E. In addition the 40 acres consisting of Lot 3 shown on the Henry Clay Plat, The NE/4 of the NW/4 of Section 4, Twp. 6N, Rge. 6E. B.M, all in the Gambrinus Mining District.

Whereas, the Lessee, a mining firm, is desirous of conducting exploration, development and mining work on said real estate to ascertain if minerals of sufficient value are disclosed to warrant further development.

Now, therefore, Lessor, for and in consideration of the rents and royalties to be paid and the covenants to be observed by the Lessee, as hereinafter set forth, does hereby lease and demise to the Lessee, all veins, lodes and deposits of ores, minerals and valuable materials under the surface of the above described lands, together with so much only of the surface along and on each side of said veins, lodes and deposits, including the use of available mining equipment, water and roads; or to drill for water and

construct roads, as considered necessary for the convenient working of said veins, lodes and deposits, together with the right of ingress to and egress from said lands at any time, by itself, it's agents, laborers and assigns, with vehicle, instruments and mining equipment, and to erect thereon and/or remove suitable paraphernalia necessary for the purpose of prospecting for or removing and processing minerals; and Lessor does hereby grant to Lessee the exclusive right to prospect and mine the subject of this lease for a period of two (2) years from the date of this agreement, with provision for automatic extension of same for a total period of twelve (12) years, provided active mining and/or drilling operations upon the land embraced herein are commenced within the two (2) year period.

In consideration of the above, the Lessee hereby agrees as follows:

To pay to the Lessor as rental for each acre covered by this lease agreement the sum of PRO RATA per acre per annum in advance, the first year's rental being $100.00, payment of which is hereby acknowledged.

To pay to the Lessor as royalty a sum representing 10 % of the 'Net Return' per ton of all ores, minerals, or precious metals produced from said property during the term of this lease. The term 'Net Return' shall be construed to mean the Net Smelter Return paid by competent smelter, processor or mint for shipments.

To pay to the Lessor the appraised values of any unsold ores, minerals or other precious metals, left in stockpile awaiting more favorable market, at the termination of this lease.

The royalty hereinabove mentioned is paid on NET remaining after cost of (Milling ore, if milled locally) and/or refining and transportation costs are deducted, the records of which, including assays, reports, mint returns and financial statements shall be

at all times available to the Lessee.

To commence actual mining and/or drilling operations upon the land embraced herein within two (2) years from the date of execution of this lease, or any extension thereof granted by the Lessor in writing, and to thereafter diligently prospect, develop, and mine, in or upon the leased land, and to conduct all mining operations in a good and workmanship manner, holding the Lessor free and harmless from any injury or claim for damages incurred by the Lessee, it's workmen, agents, or assigns.

It is further agreed that upon failure of Lessee to pay rentals or royalties as herein provided, or upon failure to comply with any of the conditions, provisions, or covenants of this lease, the Lessor may, at their option, after thirty (30) days warning notice in writing to the Lessee, to correct the deficiencies, declare the lease forfeited; and, that the Lessee may terminate this lease at any time upon the giving of thirty (30) days notice in writing to the Lessor, and upon payment of all rents and royalties and other sums due and payable to the Lessor.

It is further understood that this lease agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties thereto.

In Witness whereof, the parties hereto have caused these presents to be executed in triplicate the day and year first above written.

/s/ Adeline Johnesse
(Lessor)

/s/ Mary Louise Johnesse
(Lessor)

Attest:

Paul D. Nelson

KING SOLOMON MINES, INC., (Lessee)

by. J. H. McKenzie

LESSOR ACKNOWLEDGEMENT

~~STATE OF~~ District of Columbia
COUNTY OF Washington D.C. } ss

On this 15th day of March, 1967 before me, the undersigned, a Notary Public in and for the ~~State of~~ District of Columbia duly commissioned and sworn personally appeared Mary L. Johnson to me known to be the individual (s) described in and who executed the foregoing instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed this 15th day of March, 1967.

Robert L Warner
Notary Public in and for the
~~State~~ of District of Columbia residing
at 4000 Tunlow Rd NW
Wash. D.C.
My Comm. Exp. Jan 31, 1969.

s

LESSEE ACKNOWLEDGEMENT

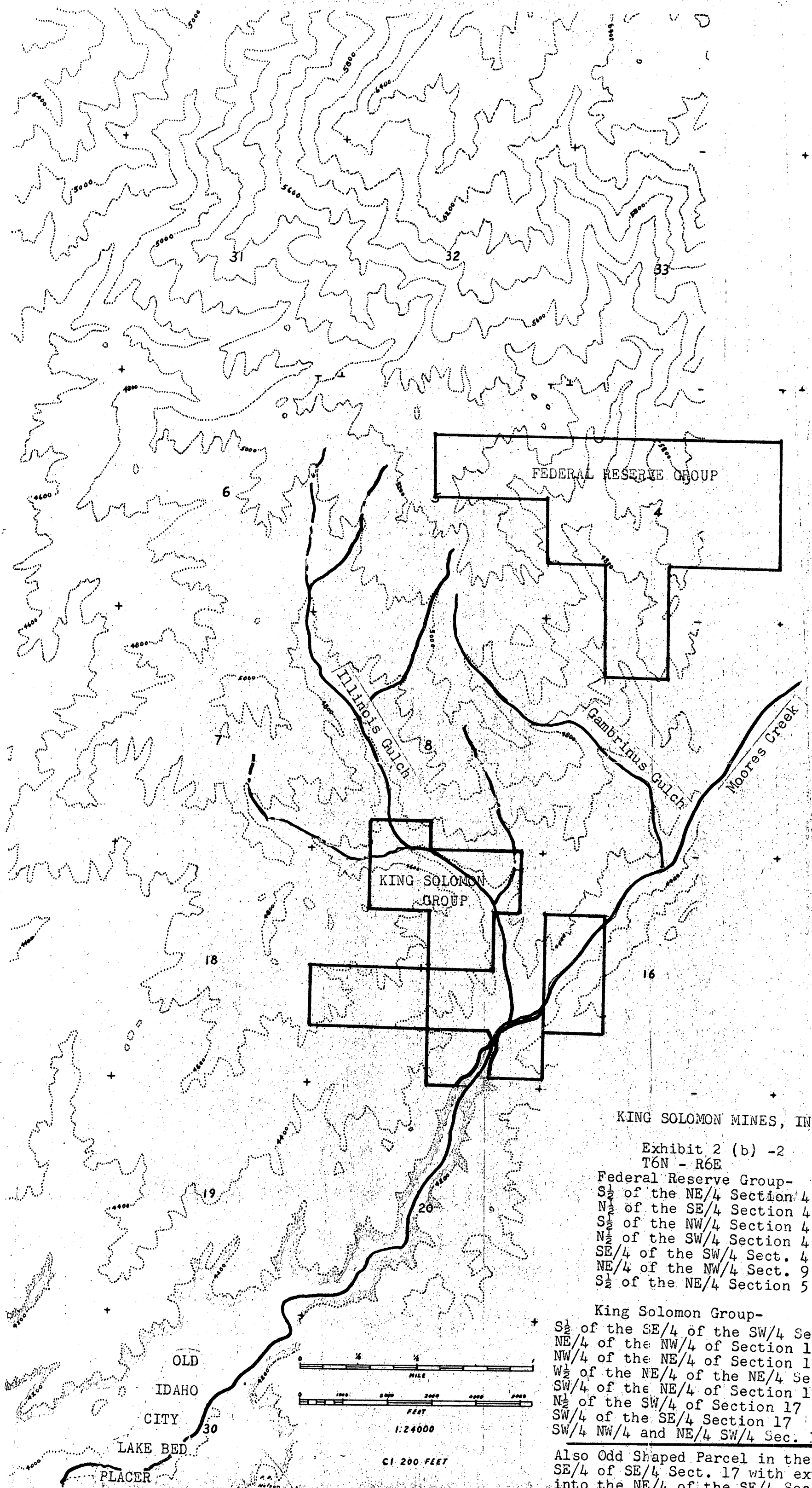
STATE OF Idaho
COUNTY OF Ada } ss

On this 17th day of March, 1967 before me the undersigned, a Notary Public in and for the State of Idaho duly commissioned and sworn personally appeared J.H. McGregor, to me known to be the President of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the use and purposes therein mentioned and on oath stated that he is authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 17th day of March, 1967.

Agnes J Frazier
Notary Public in and for the
State of Idaho residing at
Boise

s



KING SOLOMON MINES, INC.,

Exhibit 2 (b) -2
T6N - R6E

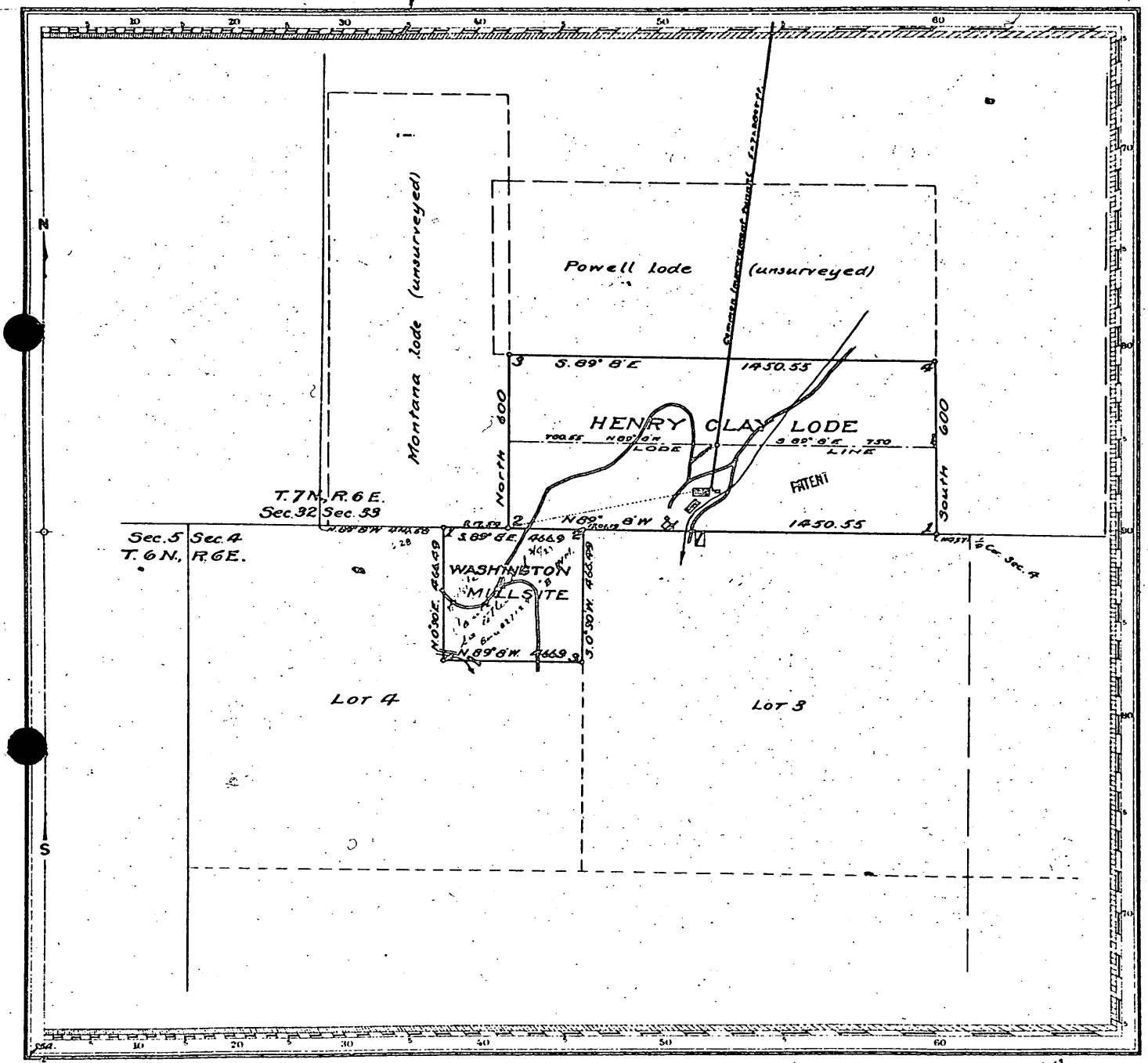
Federal Reserve Group-
S½ of the NE/4 Section 4
N½ of the SE/4 Section 4
S½ of the NW/4 Section 4
N½ of the SW/4 Section 4
SE/4 of the SW/4 Sect. 4
NE/4 of the NW/4 Sect. 9
S½ of the NE/4 Section 5

King Solomon Group-
S½ of the SE/4 of the SW/4 Sec 8
NE/4 of the NW/4 of Section 17
NW/4 of the NE/4 of Section 17
W½ of the NE/4 of the NE/4 Sec 17
SW/4 of the NE/4 of Section 17
N½ of the SW/4 of Section 17
SW/4 of the SE/4 Section 17
SW/4 NW/4 and NE/4 SW/4 Sec. 16

Also Odd Shaped Parcel in the SE/4 of SE/4 Sect. 17 with ext. into the NE/4 of the SE/4 Sec 17

Ex. 2(b)-2

(4-675)



Claim Located see field notes 19

Mineral Survey No. 3043 A&B

Lot No.

Boise Land District.

PLAT

OF THE CLAIM OF

Monetary Metals Company

KNOWN AS THE

HENRY CLAY LODE AND WASHINGTON MILLSITE

IN Gambrinus MINING DISTRICT, Boise COUNTY, Idaho

Containing an Area of LODE 12.970 MILLSITE 3.000 Acres.

Scale of 300 Feet to the inch.

Variation 21° E.

SURVEYED October 12-13 1923 BY Gordon C. Smith.

U.S. Mineral Surveyor.

The Original Field Notes of the Survey of the Mining Claim of Monetary Metals Company known as the

HENRY CLAY GROUP

Comprising the above named lode and millsite

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claim by claimant or for the benefit of its grantors and that said improvements consist of ½ interest in a tunnel.

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

U.S. Surveyor General's Office.

Boise, Idaho

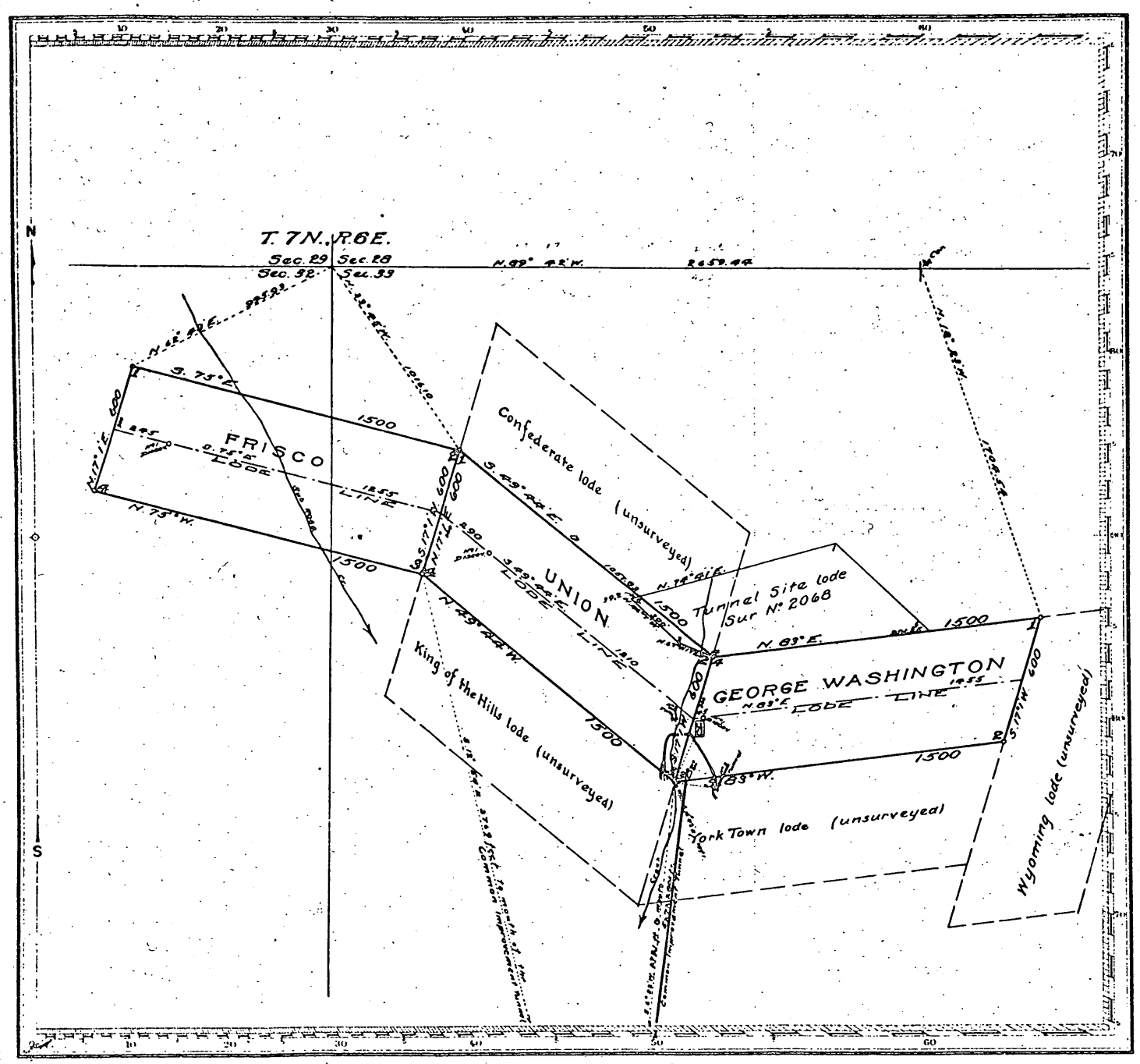
November 14, 1923

Lloyd W. Evans

U.S. Surveyor General for Idaho.

$125.00
62.95
62.05

(4-675)



Claim Located see field notes By

Mineral Survey No. 3042 PATENTED

LOT No.——

Boise Land District.

PLAT

OF THE CLAIM OF

Monetary Metals Company

KNOWN AS THE

GEORGE WASHINGTON, UNION AND FRISCO LODES

IN Gambrinus MINING DISTRICT,
Boise COUNTY, Idaho
Containing an Area of Acres.
Scale of 400 feet to the inch.
Variation 21° E.
SURVEYED Oct. 12-13 1923 BY
Gordon C. Smith
U.S. Mineral Surveyor.

The Original Field Notes of the Survey of the Mining Claim of
Monetary Metals Company
known as the
GEORGE WASHINGTON GROUP
comprising the above named claims

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office, and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon said Mining Claim by claimant or its grantors and that said improvements consist of 2 tunnels and 1/3 interest in a tunnel.

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements has been included in the estimate of expenditures upon any other claim.

And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

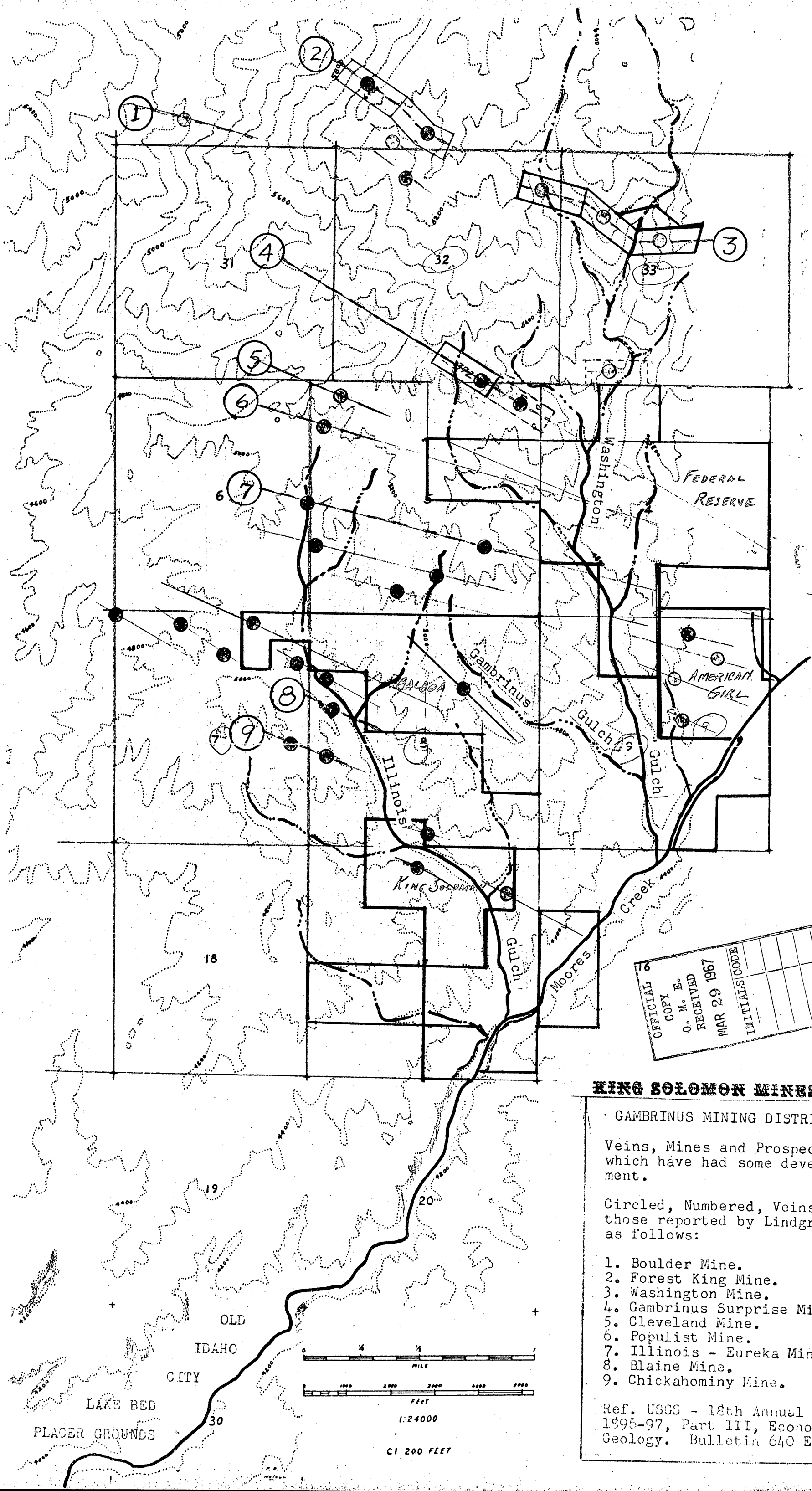
U.S. Surveyor-General's Office.
Boise, Idaho
November 13, 1923

Siegfried W. Emmons
U.S. Surveyor-General for Idaho

See MS 3083
$36.40

Ex 2 (a)-3

OFFICIAL
COPY
O. N. E.
RECEIVED
MAR 29 1967
INITIALS



OFFICIAL COPY
O. M. E.
RECEIVED
MAR 29 1967
INITIALS CODE

KING SOLOMON MINES

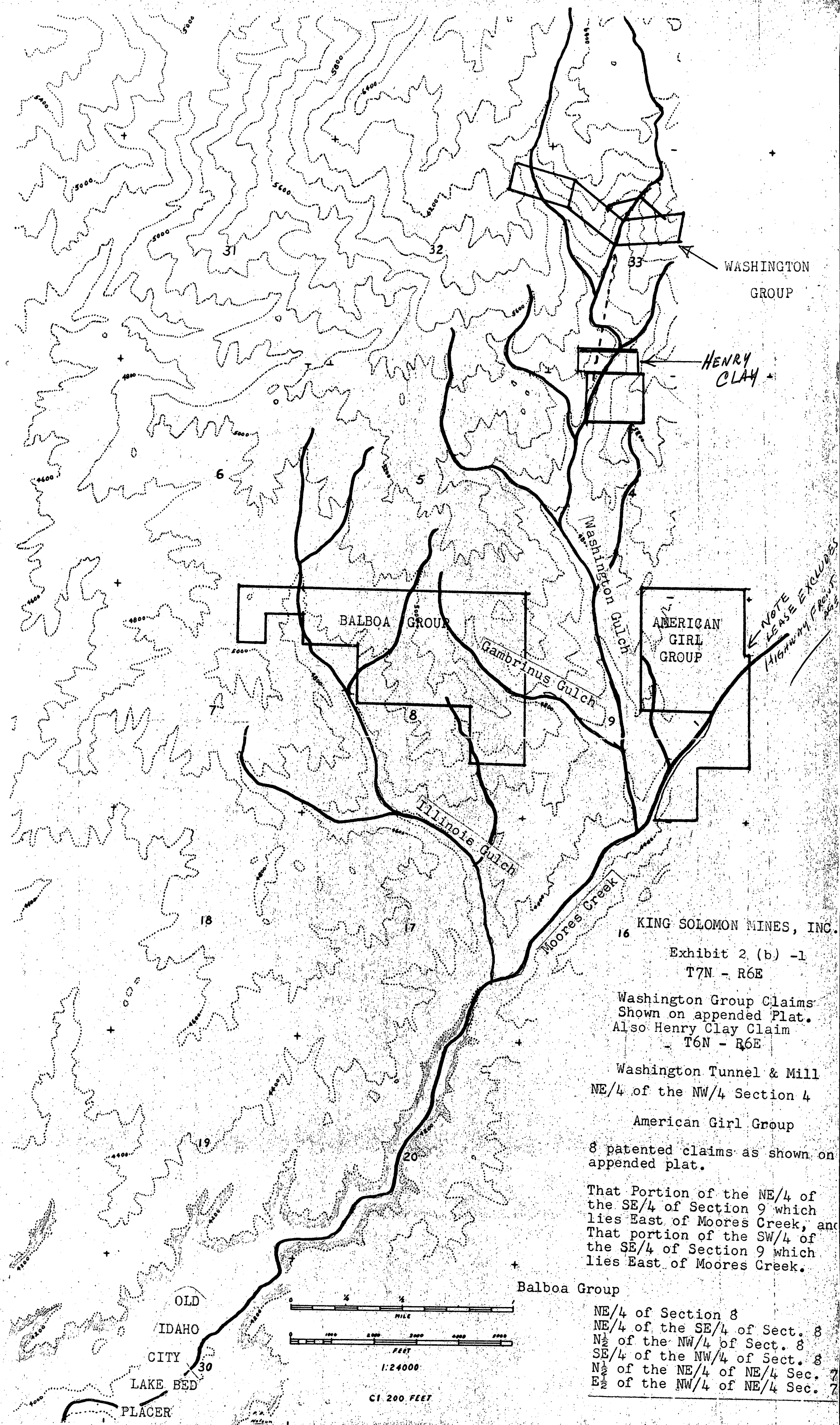
GAMBRINUS MINING DISTRICT

Veins, Mines and Prospects which have had some development.

Circled, Numbered, Veins are those reported by Lindgren as follows:

1. Boulder Mine.
2. Forest King Mine.
3. Washington Mine.
4. Gambrinus Surprise Mine.
5. Cleveland Mine.
6. Populist Mine.
7. Illinois - Eureka Mines.
8. Blaine Mine.
9. Chickahominy Mine.

Ref. USGS - 18th Annual Rpt. 1896-97, Part III, Economic Geology. Bulletin 640 E,



KING SOLOMON MINES, INC.

Exhibit 2 (b) -1
T7N - R6E

Washington Group Claims Shown on appended Plat.
Also Henry Clay Claim - T6N - R6E

Washington Tunnel & Mill
NE/4 of the NW/4 Section 4

American Girl Group

8 patented claims as shown on appended plat.

That Portion of the NE/4 of the SE/4 of Section 9 which lies East of Moores Creek, and That portion of the SW/4 of the SE/4 of Section 9 which lies East of Moores Creek.

Balboa Group

NE/4 of Section 8
NE/4 of the SE/4 of Sect. 8
N½ of the NW/4 of Sect. 8
SE/4 of the NW/4 of Sect. 8
N½ of the NE/4 of NE/4 Sec. 7
E½ of the NW/4 of NE/4 Sec. 7

Ex. 2 (b)-1

OFFICIAL
COPY
S. H. J.
RECEIVED
SEP 20 1967

King Solomon Mines, Inc.

OFFICIAL COPY

'Gambrinus District Silver

Exploration Program'

PROGRAM DETAILS

See D. Lee Batten letter 3/6/67

1. FINANCIAL ELIGIBILITY

1 (a)

This program has been submitted to two local banks and the correspondence in connection therewith is attached hereto as exhibit 1 (a).

1 (b)

King Solomon Mines, Inc., is an Idaho corporation and is the Principal and has no affiliated or parent company.

1 (c)

Capital stock, both preferred and common remaining as treasury stock has been subscribed in sufficient amount to supply the necessary capital to accomplish Stage 1 of the program, for the operators portion required (25% of the cost), and in addition a deposit of $10,000.00 for working capital is available to start the program.

Rental of equipment and facilities already in existence, and re-investment of a considerable portion of the engineering and management fees and salaries by personnel connected with King Solomon Mines, Inc., will supply additional funds for the operators share in this program as follows:

a. Stock subscriptions based on Re-investment:

D. Lee Batten	$10,000.00
J. H. McKnight	$10,000.00
Paul D. Nelson	$10,000.00
Bank Deposit	$10,000.00
Other Stockholders New Subscriptions	$10,000.00
	$50,000.00

Stage 1 total cost $124,439.25 - Operators share $31,109.82

b. Rental of equipment owned by King Solomon Mines, Inc., will reduce the capital required as working capital during the first stage operations, so that with the $20,000.00 in cash as shown above, and monthly stock subscription deductions adequate cash flow can be established for proper financial operations.

c. Operational income from King Solomon Mines, during the next year is expected to add some financial support to the second stage portion of the program.

2 APPLICANTS RIGHT IN THE LAND

2 (a)

King Solomon Mines, Inc., is the lessee, on all lands involved in this program, and copies of mineral leases, agreements and other legal documents establishing these rights are appended to this application as Exhibits 2(a)-1, 2(a)-2, and 2(a)-3.

2 (b)

The attached map lists the full legal description of all lands involved in this program. Exhibit 2(b)-1.

Adjacent lands controlled by lease consist of the King Solomon Group, held under mineral lease agreement, and the Federal Reserve Group, upon which the applicant has made application for a prospecting permit from the Bureau of Land Management. These parcels are shown and described on the attached district map. Exhibit 2(b)-2.

2 (c)

Both formal and informal inquiries have indicated that MME form 52 can not be obtained, and letters of inquiry and refusal are attached as Exhibit 2(c).1

Perf. Bond required

In lieu of the lien agreements, (MME form 52) Performance bonds will be supplied by King Solomon Mines, Inc., using standard form 25 as required. A letter of bonding availability is attached as Exhibit 2(c).2

3 Physical Description

HENRY CLAY

3 (a)1 Local Historical Records of Washington Group mines.

This group consists of the Union, Frisco, George Washington and [redacted] patented claims in Sections 32 and 33, T7N - R6E, B.M. and approximately 40 acres as a mill site, and tunnel portal site in Section 4. More specifically, the NE/4 of the NW/4 of Section 4, T6N - R6E, B.M. All located in the Gambrinus Mining district, near Idaho City, Idaho.

Development of the Washington group is described as follows:

> '3700 feet of old workings and a 3700 foot main working tunnel tapping a series of six parallel gold and silver veins at a depth of about 500 feet. Water is flowing out of the tunnel which is caved at the portal.'

Production:

> Past production approximately $500,000.00 in gold and silver. Last reported development work claimed to have revealed a gold and silver ore shoot extending from the surface to a depth of 565 feet. This shoot was partially developed on 5 levels. An average of assays across a seven foot face indicated gold and silver values (at old prices) over $10.00 per ton.'
>
> Note: The above information is gathered from two sources copies of which are attached as Exhibit 3(a)-1.

Ore:

> Tenor of the ore is reported in almost all of the official USGS reports, listed elsewhere herein as rich in silver, with an average for high grade samples of from 33 to 90 ounces per ton.

3 (a)2 Local Historical Records of the Balboa group mines.

This group consists of approximately 360 acres of comparatively virgin mining property as follows: The NE/4 and the NE/4 of the SE/4, and the N½ of the NW/4 and the SE/4 of the NW/4 of Section 8, T6N - R6E, B.M. and the Balboa Extension consisting of the N½ of the NE/4 of the NE/4 and the E½ of the NW/4 of the NE/4 of Section 7, T6N - R6E, B.M.

Development of the Balboa Group is as follows:

'The Balboa mine, located in the SW/4 of the NE/4 - Section 8 was a new discovery (8-5-1938) Shaft started on vein. thirty inches of vein assays $100.00 - Concentrate assays $1190.00 per ton. Shaft down only ten feet, still good ore. Free gold reported.' (this information taken from the published record in the Idaho Mountaineer, Idaho City, Idaho. Dated June 19, 1958 copy of which is attached as Exhibit 3 (a) 2.)

3 (a) 3 Local Historical records of the American Girl Group.

This group consists of the Unexpected No. 1, Unexpected No.2, Unexpected No. 3, Louise, American Girl No. 1, American Girl No. 2, Universal No. 1 and Universal No. 2, patented claims and two parcels in the SE/4 of Section 9 more accurately shown and described on the land maps attached as Exhibit 3(a) 3.

Development - Unknown.

Production - Unknown.

[redacted]

3 (b)

King Solomon Mines, Inc., has had no interest in any of the past activities of the properties it is proposing to explore.

3 (c) All production records for these properties that we have been able to locate are attached as exhibits keyed to the above three items under 3 (a)

A copy of the publication entitled "The Gambrinus Mining District" (Exhibit 3 (a) 2) lists the development and reported production for many of the Gambrinus district properties. This publication also indicates many additional prospects in the area.

The Geological map by Kendall & Lindgren published with the 18th Annual Report, Part III, and the map published by Jones in Bulletin 640 E, 1916 also shows the major known veins and trends in the Gambrinus district.

3 (d) Washington Group.

Known ore reserves of the Washington Group are not clearly defined, but have been mentioned by all USGS reports, as substantial silver ore reserves, with varied reports on values.

The Prospectus of Monetary Metals Company, the last owner and operator of the mines, lists six parallel gold and silver veins crosscut at a depth of 500 feet. They also state they discovered a rich gold and silver ore shoot extending from the surface to a depth of 565 feet which assayed (at old prices) an average of $10.00 per ton across a seven foot face.

Lindgren reported that ores from this mine contained from 33 to 90 ounces of silver per ton, and samples of the ore are reputed to be available at the College of Idaho, in Caldwell, Idaho. Jones, and later Anderson confirmed the silver ore reserves visible in this mine in their reports.

These possible reserves mentioned above, have never been estimated or delineated by any exploration with a goal of determining quantity or grade.

No assay certificates or maps are available.

3 (d) Balboa Group.

This group is virgin mining ground, which lies between the known silver deposit at the Washington Mine, and the recently developed silver mine at the King Solomon. It is assumed that fault structures which outcrop on this property will also carry high grade silver ore. Sufficient sampling has not been accomplished to determine any values.

3 (d) American Girl Group.

We can locate no information on the ores of this group and except for local hearsay, nothing is known of the type or grade of ore. Mineral Survey field notes state that at the time of the survey, a shaft, tunnel and amalgamation mill were working. Samples of the ore delivered to us by the owner assayed better than 20 ounces of silver on the average. A mine dump on the property contains silver ore identical to that found at the King Solomon.

No assay certificates are available on either of the two properties above, and no assay maps or other accurate value information is available.

3 (e)

The surficial veins and their anticipated subsurface counterparts are part of a mineralized structural complex of en echelon cross faults over and along a deep seated zone of weakness. This zone of weakness forms a silver belt across the southwestern portion of the Idaho batholith from Silver City in Owyhee County to the Banner Mines in Boise County, northeast of the area of the proposed exploration program.

On the surface, superimposed nearly 90 degrees to the mile wide silver belt are the relatively close spaced en echelon cross faults that also existed in previous zones of weakness. The surficial zones of weakness in late or post Cretaceous times were broken and intruded by porphry, aplite and pegmatite dikes which parallel the present vein complexes. In Tertiary times up to modern times the surficial zones of weakness were subjected to subsequent crustal movements and were mineralized by emanating ground waters and magmatic gasses. The results are hydrothermal lode deposition of quartz followed by argentiferous quartz which in turn was followed by gold and silver with allied elements. Silver bearing and related minerals identified on the surface exposures and in pits for the Balboa, American Girl, Washington and the King Solomon are similar to and identical in comparison along the entire length of the pre-defined silver belt. Silver minerals so far identified are as follows: Native gold and silver, argentite, cerargyrite, proustite, pyrargyrite and pearceite. The U. S. Bureau of Mines, who have confirmed the above list of minerals, noted the relationship of arsenic to the silver minerals.

3 (f)

The Balboa, American Girl and Washington vein ores are nearly identical to ores found in the King Solomon Mine, within a mile to the southwest. Current investigation and sampling of the above prospects have been conducted on the surface and in old prospect pits, and along vein outcrops. Geo-chemical and petrographic analysis of the samples by our staff indicate a significant lode deposit that merits subsequent subsurface investigation.

The proposed exploration area of this program appears to be located on one of the climax mineralization points along a relatively well defined rich silver mineral belt extending at least from Silver City, Idaho on the southwest to the Banner Mines on the Northeast, paralleled in strike by marginal deposits in the Quartzburg-Placerville area on the Northwest and the Atlanta area on the Southeast.

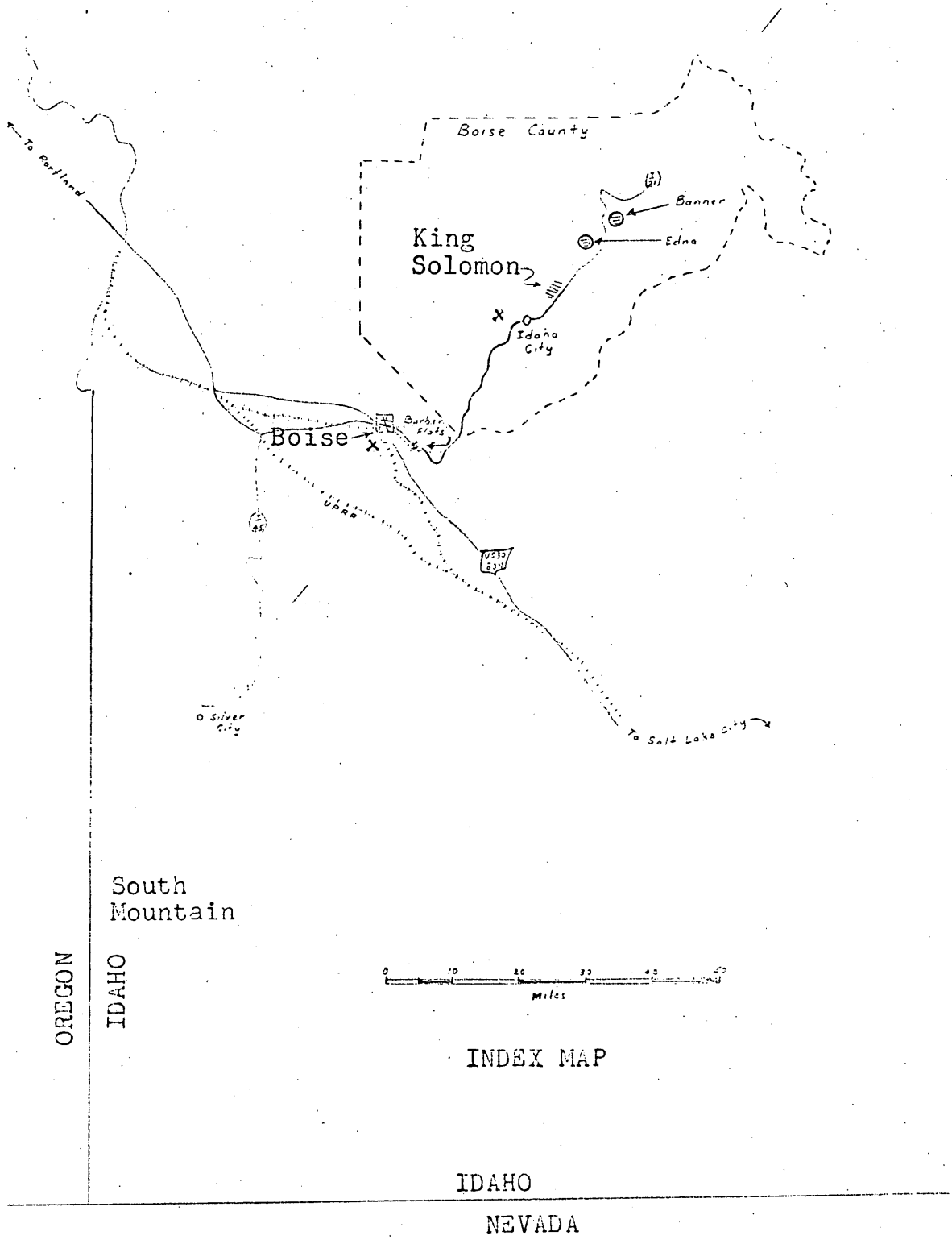
The Washington Mine, 2 miles to the Northeast, along with the Banner and Edna Mines, 15 miles and 10 miles also to the Northeast have been cited for their silver bearing lodes by numerous investigators over a period of 60 years. Lindgren, Anderson, Jones, Ross and Rasor in USGS and Economic Geology reports have cited these mines as interesting producers with potential reserves of silver. The Washington ore was reported to contain 90 ounces per ton in silver while the Banner group in a relatively short period, limited works and from shallow depth produced $3,000,000.00 in silver bullion. These mines are of interest when the conditions under which they were operated are considered. During the period of production at the Banner Mine, silver production from complex sulphide ores was not efficient with the methods then in use. The Gambrinus and the Boise Basin were explored and developed on the basis of gold product primarily from placers, with rather inadequate technology from 1862 until the depression years in the 1930's. Consequently the silver scurces and the very complex gold ores were abandoned.

NOTE:- SEE EXHIBIT 3 (f) -1 FOR DETAILED GEOLOGICAL REPORT ON THE KING SOLOMON MINE AND THE GAMBRINUS DISTRICT - THIS REPORT AND SUPPORTING DATA SHOW THE NATURE AND GRADE OF AVAILABLE ORES.

3 (g)

Two copies of geologic reports, cross sections and maps with technologic information which we have included are not required to be returned.

King Solomon Mines, Inc.



Accessibility

4 (a)

J. H. McKnight, at 1370 Hill Road may be contacted in Boise, Idaho, by phone at 344-7545 (Boise) or Paul D. Nelson, 2909 Kootenai St., Boise, (phone - 343-8622).

All of the properties are within 4 miles of the State Highway, Rt. 21, with numerous inter-property dirt roads and jeep trails. The prospects are in an area of low rolling ridge and valley mountain country with 300 to 500 feet of relief. Average elevation between 4800 and 5000 ft. requiring 10 to 15 miles of drill trails with a max. grade of 7% to make all prospect areas easily accessible.

4 (b)

Main shipping and supply points are located in Boise, 43 miles Southwest of the King Solomon, although carloading facilities are available at Barber Flats, 5 miles East of Boise on Route 21.

5. Exploration Work

5 (a)

The proposed exploration program for the Gambrinus Mining District requires 20,000 feet of nx drill and/or core holes in 3 blocks of KSM controlled properties as follows and illustrated on the attached exhibits (Exh. 5a)

360 acre Balboa block, N/2 Section 8 and extension N/2 NE/4 Section 7 - T6N - R6E is scheduled for 18 drill hole complexes requiring a maximum of 10,000 feet of exploration drill holes - 5,000 vertical and 5,000 to be inclined. 5 to 7 miles of drill trail will be required.

154 acre American Girl block in E/2 Section 9 T6N - R6E is scheduled for 8 drill complexes requiring 5,000 feet of exploration drill holes - 2500 vertical and 2500 inclined. 2 to 3 miles of drill trail will be required.

110 acre Washington Block in the N/2 Section 33, T7N - R6E is scheduled for 2 drill complexes requiring 1500 feet of exploration drill holes - 750 vertical and 750 inclined. 2 miles of drill trail will be required.

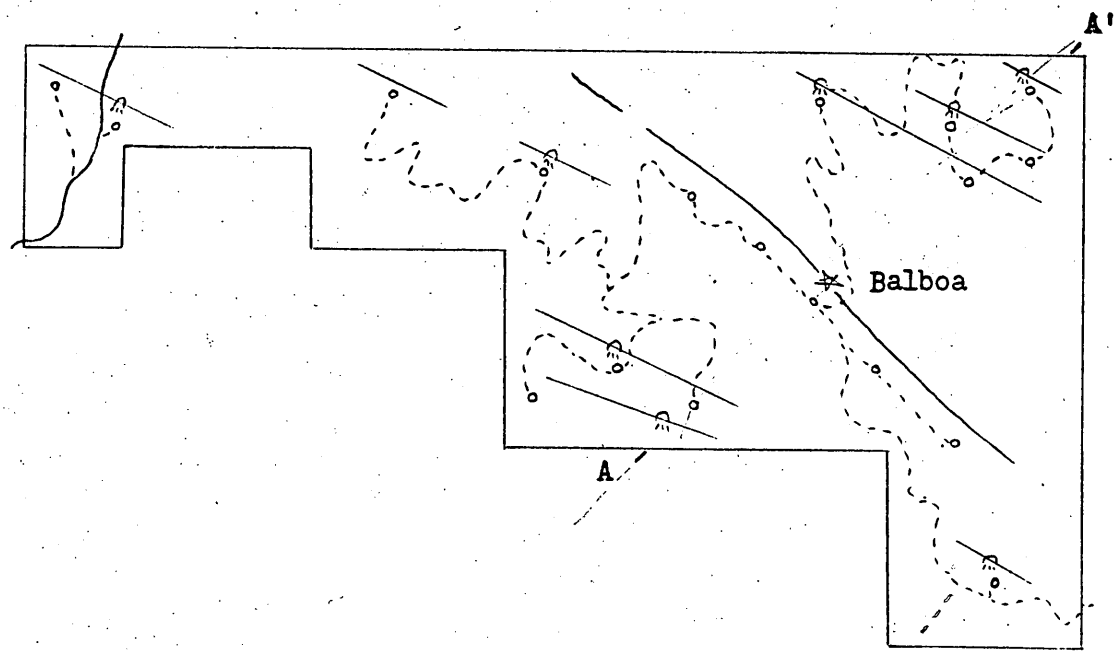
The remaining 3500 feet, or any unused feet of drill hole will be executed in support, confirmation and extension of the 16,500 feet previously indicated and depending upon results of previous tests for the purpose of expansion of reserves. A maximum of 2000 feet of core is programed if rock conditions permit.

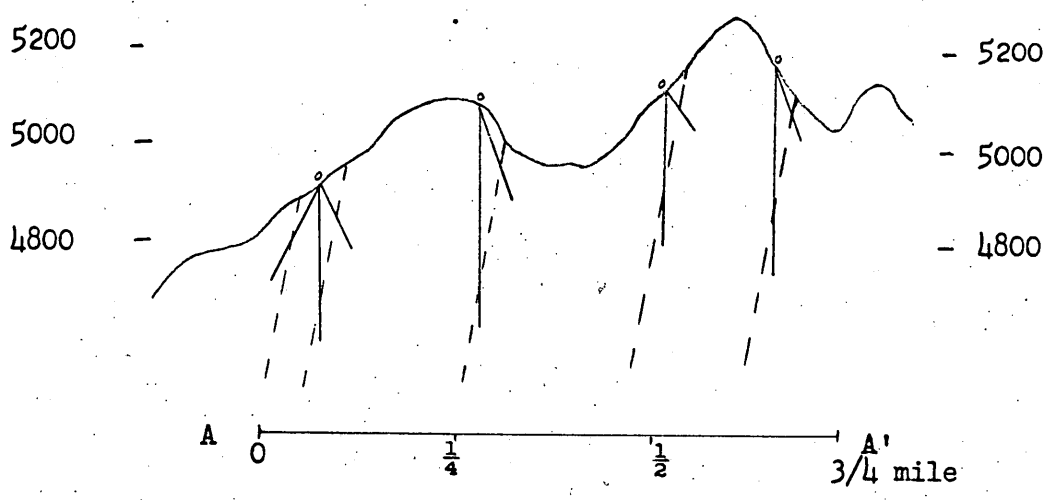
These tests would verify the existence, structural behavior and reserves at depth on the existing surficial exposures of silver bearing quartz veins in shallow prospects and outcrops on the foregoing blocks. Veins in this portion of the Gambrinus District are expected to dip on the average 60 degrees to the Southwest.

5 (b) The previously indicated access roads required for this project are to be built to accomodate truck mounted drill rigs. It is anticipated that from 9 to 12 miles of drill trail will be required to reach the proposed drill sites. The roads will be built to satisfy the minimum requirements for such accessability.

5 (c) The work will start immediately upon OME contract execution and the advent of favorable weather and ground conditions in the Spring of 1967. The drilling activity will be completed by November 1968. Our anticipated rate of progress will be approximately 1500 feet of drill hole per month during the operating season. See program schedule attached.

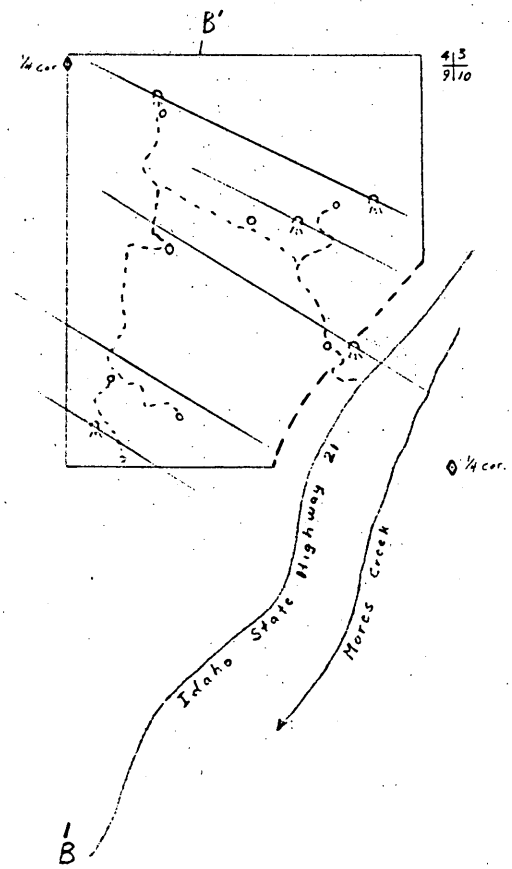
King Solomon Mines, Inc.,

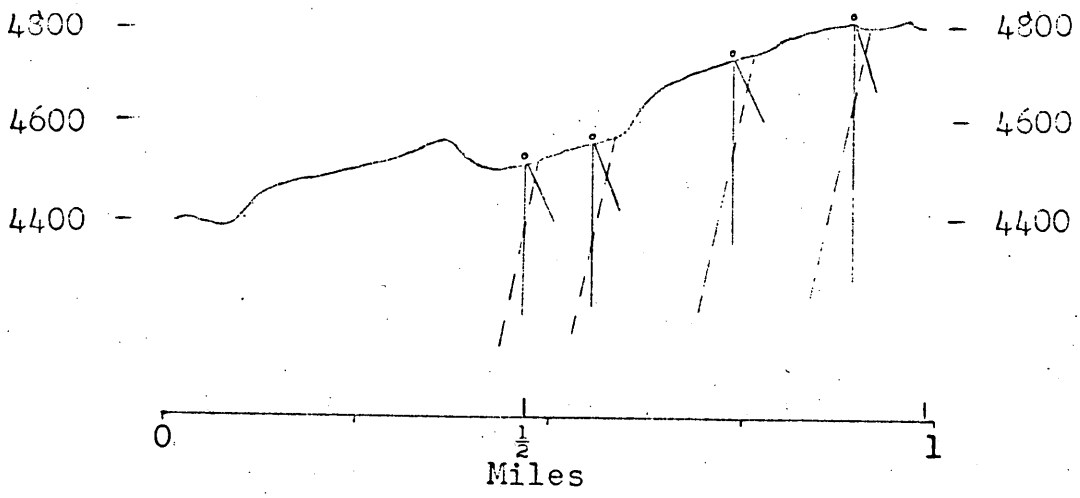




Balboa Group Mines legend	
	Vein trends projected horizontal.
	Vein trends projected vertical.
	Prospect pits, etc.
	Drill sites, two or more holes vertical & inclined.
	Drill trail to be constructed approx. location.

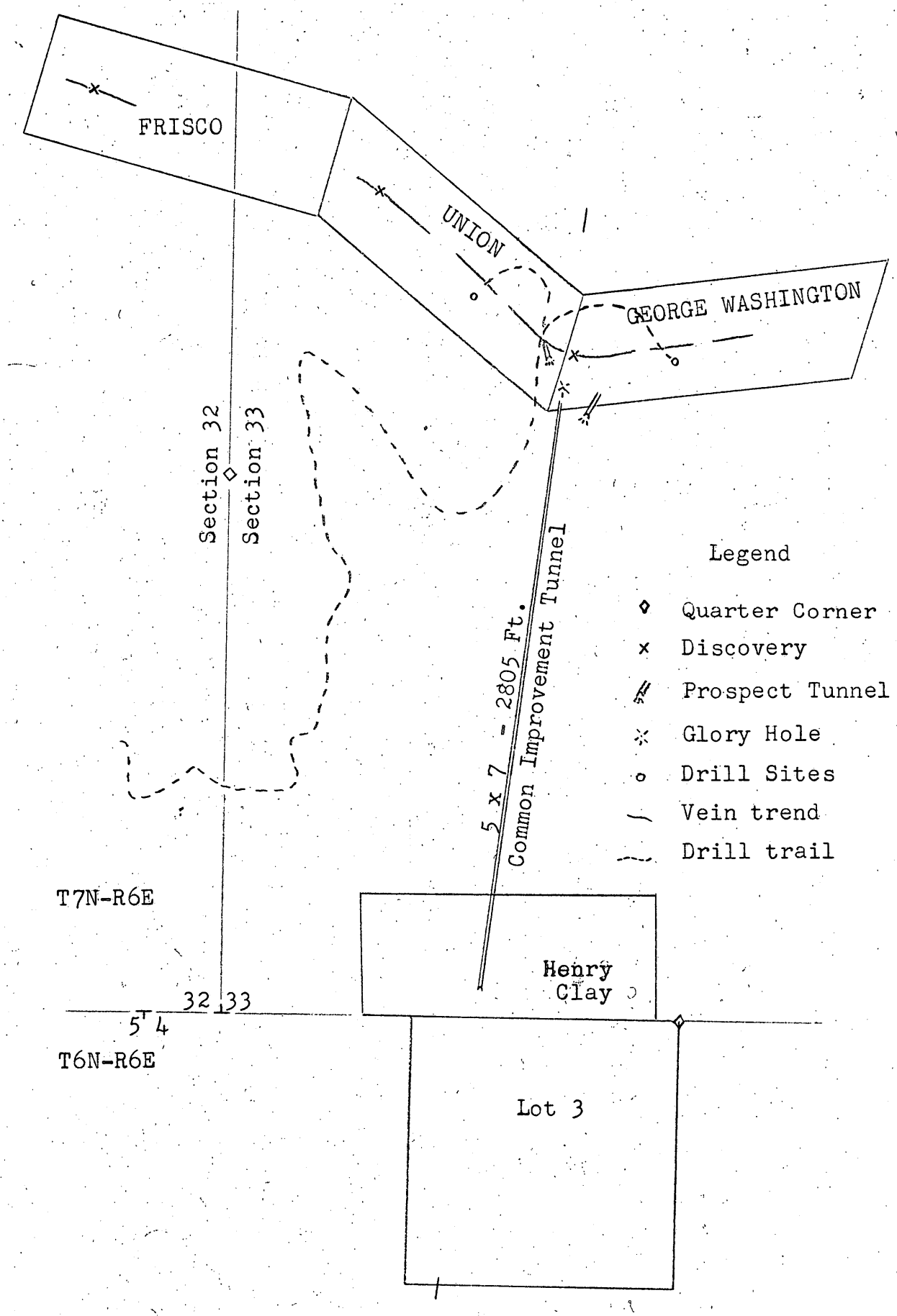
King Solomon Mines, Inc.,



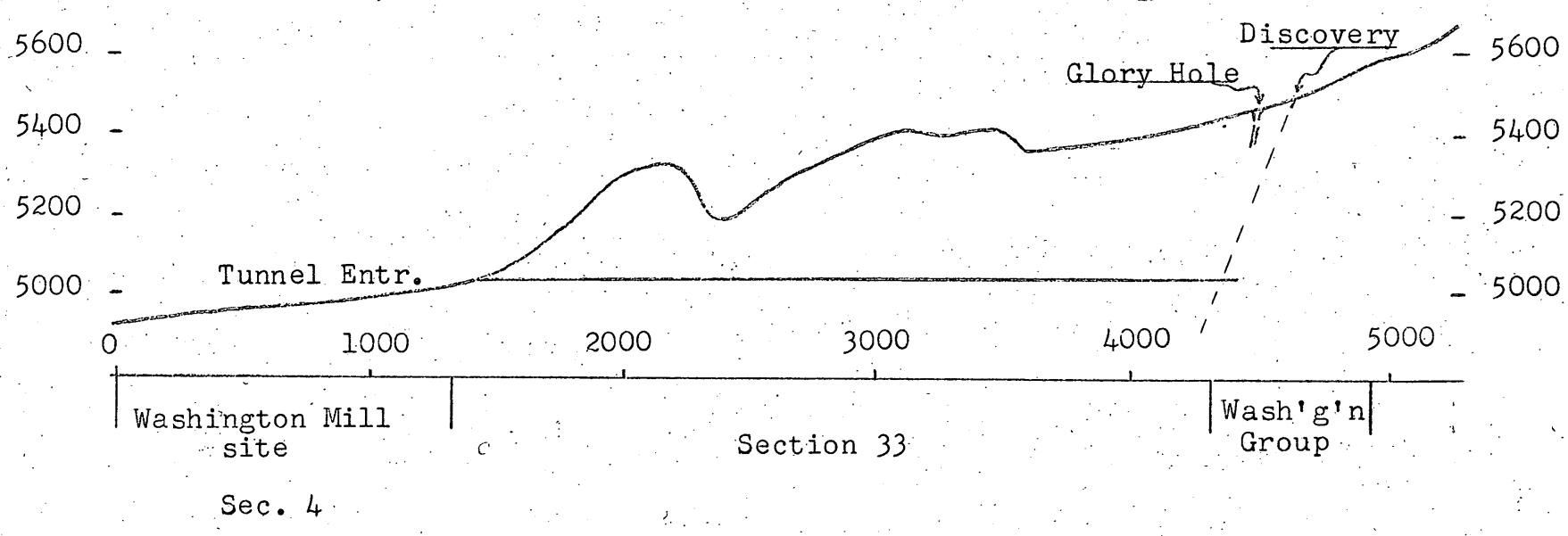


American Girl Group Mines legend	
———	Vein trends projected horizontal
- - - -	Vein trends projected vertical
⌂	Prospects, Pits etc.
∘	Drill sites, two or more holes vertical & inclined
·····	Drill trail to be constructed approx. location.

King Solomon Mines, Inc.



King Solomon Mines, Inc.,



King Solomon Mines
Incorporated
P. O. BOX 166
Idaho City, Idaho 83631
PHONE 344-7545 BOISE, IDAHO

PROGRAM SCHEDULE 2 Years

Gambrinus District							FY												FY												F					
Development Program	CY 1967												CY 1968												CY 1969											
King Solomon Mines, Inc.,	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1 Balboa Group Geo-chemical			x	x	x	x	x																													
2 Balboa Group Drilling				x	x	x	x	x											x	x																
3 Balboa Group Cat Work			x	x	x													x	x																	
4 Balboa Result Evaluation											x	x	x	x									x	x												
5																																				
6 Amer. Girl - Geo-chemical							x	x	x	x																										
7 Drilling								x	x	x	x										x	x														
8 Cat Work						x		x	x	x	x									x	x															
9 Evaluation											x	x	x	x									x	x												
10																																				
11 Washington																																				
12 Cat Work							x																													
13 Geochemical															x	x	x	x																		
14 Drilling																x	x	x					x													
15 Cat Work															x	x	x	x					x													
16 Evaluation																			x	x			x	x	x	x										
17																																				
18 Final Reporting -																																				
19 Balboa																	x										x									
20 Amer. Girl																					x						x									
21 Washington																											x									
22																																				
23 Surveying			x	x	x	x	x	x	x						x	x	x	x	x	x	x	x	x													
24 Mapping										x	x	x	x	x								x	x	x	x	x										
25 Geological Reports							x		x		x			x				x		x		x		x			x									
26 Petrographic Reports						x		x		x		x					x		x		x		x				x									
27 Mining Eng. Reports				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x									
28 Assay Reports				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x									
29 Spectrographic Reports				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x									
30 Chemical Reports				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			x									
31 Payroll Reports				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x									

6. Experience

The background and operating experience of personnel of King Solomon Mines is outstanding with 85 years of combined experience in the scientific fields associated with mining.

J. H. McKnight, company chemist, 30 years of metallic chemistry, and 7 years of geochemistry on this area and it's ores.

Paul D. Nelson, 15 years of economic exploration geology.

T. O. Evans, 40 years of mining engineering.

It is proposed in our program to employ associate engineers with needed skills as junior mining engineer, junior geologist, chemist, and geochemical assistant for the entire period of operations, and to insure mineral identification, a minerologist is included.

We feel that for results to be meaningful, the engineering on a project of this scope must be well covered and have programmed the project with this in mind.

Some scientific equipment is proposed to ascertain the minerals and speed up the work of testing the drill samples.

The Management personnel are equally qualified, with Col. D. L. Batten, USAF Ret. as project manager, and a former internal bank auditor, Gilbert E. Powell as assistant to the project manager. Col. Batten has been for many years a business management consultant, with a capacity for handling projects of this size and scope.

7 ESTIMATE OF COSTS

Outside Purchased Services	$5.4567 per ft.	$109,134.00
Technical Engineering & Management Organization	$8.3805 per ft.	$167,610.00 ?
Equipment & Supplies	$2.7547 per ft.	$ 55,095.00
		$331,839.00
OME 75% Exploration Loan		$248,879.25
King Solomon Share (25%)		$ 82,959.75

Exploration program requires 20,000 feet of drilling.

Total Cost per foot	$16.5919 – high
75% OME share	$12.443925
KSM share	$ 4.147975

Stage 1 program:- 37½% for completion in 1967, requires initial costs as follows:

Program total cost	$124,439.25
OME share	$ 93,329.43
KSM share	$ 31,109.82

Cash Flow

Advance Costs:-

1 months operation - @1500 ft./mo. =	$24,887.85
Purchased Equipment	9,635.00
Purchased Services	375.00
Maximum cash required at end of 1st. Month.	$34,897.85

7 Estimate of Costs

7 (a)

Outside Purchased Services

Assaying $3.00 each - Union Assay Office (1000)	$ 3,000.00
Spectrographs - complete list $8.00 ea. (500)	$ 4,000.00 X
Drilling, Average $5.1067 per foot- 20,000 ft.	$102,134.00
	$109,134.00

NOTE:-SEE DRILLING COST BREAKDOWN ATTACHED AS ITEM 3 BREAKDOWN ON FOLLOWING PAGE.

OUTSIDE PURCHASED SERVICES:*

Cost per foot $5.4567

7 (a) Item 3 Breakdown

Drilling Breakdown

Contract Drilling

20,000 feet of test holes

90% Plug drilled, 18,000 feet @ $4.00 per foot	$72,000.00
10% Core drilled - 2,000 feet @ $8.25 Average	
1000 ft. verticle @ $8.00	8,000.00
1000 ft. angle @ $8.50	8,500.00
	$88,500.00

Extras:-

Estimate Average 300 feet per hole, - 2 test holes/set

20,000 + 300 = 67 holes - 34 sets

Core boxes @ $2.00 per hole — ?	134.00
Set up costs - 34 sets @ $100.00 each	3,400.00
Cementing - 20 Hrs./500 ft. @ $12.00 Hr.	9,600.00
Mobilization of Equipment	500.00
	$102,134.00

$5.1067 per foot

Variables:- $3.50 per foot for casings.
Wood core boxes @ $8.00 each. — ?

7 (b) Personal Services

Technical, Engineering and
Management Organizational

Business Management

Project Manager, Col. D. Lee Batten,	2 years	$30,000.00
Assistant Manager, Gilbert E. Powell,	1 year (½ time)	8,000.00

Mining Engineering

Project Chief, Thomas O. Evans (Active Consulting)	2 yrs.	10,000.00
Resident Jr. Engineer, (to be added)	1 year (½ time)	8,000.00

Geo-chemical Testing

Project Chief, J. H. McKnight,	2 years	25,000.00
Lab. Assistant, (to be added)	1 year (½ time)	8,000.00
Field Assistant (to be added)	1 year (½ time)	5,000.00

Geology Team

Project Chief, Paul D. Nelson, (Active - Consulting)		25,000.00
Resident Jr. Geologist	1 year (½ time)	6,000.00
Petrologist,	1 year (½ time)	7,000.00

Survey Team

Surveyor 1 year (½ time)	9,000.00
Assistant	5,000.00

Labor

1 Equipment Operator	5,000.00
Total Professional & Labor	$151,000.00

Salary Overhead Items

7 (g)

Social Security (FICA)	5%	
Ins. Compensation	2.66%	
Unemployment Cont.	3.1%	
Misc. Acctg.	.24%	
	11.00%	16,610.00
	Total	$167,610.00

Cost per foot $8.3805

7 (c)

There are no items costing less than $50.00 which are considered applicable under this heading.

Purchase quantities of chemical equipment and supplies which it is estimated will be required was formulated from a basis of a single order for needed material, and is listed under 7 (d).

7 (d)

Scientific Equipment Purchases

Spectrographic Equipment & Supplies	$ 8,000.00
Petrographic Equ. & Supplies	3,000.00

Office Equipment Purchases

Copy Machine, Typewriter, Adding Machine, and Supplies	1,000.00
Printed Forms	50.00

Chemical Equipment & Supplies

Reagents	$250.00	
Glassware	100.00	
Filter Paper	50.00	
Propane	50.00	
Dist. Water	115.00	
Misc.	70.00	
	$585.00	$ 585.00

Rental Equipment (Operational)

1½ ton truck (for moving Equ. and Camps) part time		500.00
Pickup trucks (3)		2,700.00
D 8 Cat Dozer	$1,000.00/ Month (½ time)	12,000.00
Power Plants (3)	100.00/ Month (½ time)	1,200.00
Welder	80.00/ Month (½ time)	960.00
Lab Equipment	100.00/ Month (½ time)	1,200.00

7 (g)

Fuel, Maintenance & Supplies for Operating Equ.	5,000.00
	$55,095.00

$2.7547 per foot.

7 (d) item 4 - Explanation of policy.

RENTAL EQUIPMENT POLICY

Some of the equipment required will be rented from available sources in the local area at estimated competitive rental rates, however King Solomon Mines, Inc., does own similar equipment and can probably furnish it during the first stage if necessary to facilitate the initial work on the program and limit early cash requirements.

Rental costs are estimated at standard area rental rates and if King Solomon equipment were planned to be used for the entire program, unforseen breakdowns, and requirements for use in other activities could cause delays. Adequate funding for replacement rental equipment therefore is provided.

The operator plans to ask for bids on it's equipment rental requirements and reserve the right to furnish the rental equipment or some of it as seems appropriate.

The operation of this type of equipment in our terrain can not be based on normal depreciatiation allowance in lieu of rental - on a fixed unit price contract due to unforseen contingency costs. Some substitution of sizes and types of equipment may become necessary as the work may require.

7 (e) No initial rehabilitation & repairs.

7 (f) No new buildings, fixtures or installations.

7 (g) Recap - Items listed elsewhere

Fuel, Maintenance & Supplies for operating equipment.	$5,000.00
Salary Overhead Items. (Insurance, Taxes, etc.)	$16,610.00

Ex. 3 (f) - 1

Gold and Silver Mineralization in the Gambrinus District

Boise County, Idaho.

Paul D. Nelson & J. H. McKnight

INTRODUCTION

The Gambrinus district, Boise County, Idaho, the major source of placer gold for the Idaho City Basin is reputed to have produced two hundred and fifty million dollars in gold during it's period of activity, mainly from placers. The gold rush activity during the Civil War (1862 to 1865) increased the population at Idaho City, 5 miles to the Southwest, to nearly 20,000. Hydraulic placering and dredging operations in the Idaho City Basin 5 to 8 miles downstream from the Gambrinus district continued into the early 1940's. Like most of the old mining camps, the Gambrinus district has not been worked in recent years.

In spite of it's early prominence and rich gold placers which are attributed to the district by Lindgren, Jones, Anderson, Ross and others in U.S.G.S. reports, very little quartz mining developed. Mining depths below 600 feet were not attempted. The veins were reported as narrow but rich in both gold and silver. The reported production was significant since the Gambrinus veins were worked for gold. The ore minerals are complex and intergrown which severely limited the recovery with inadequate equipment that resulted from lack of finances and modern technology. Few operations were successful and these were located in extremely rich ores and placers. In spite of loss of values due to primitive equipment the Gambrinus mine in 1880 is reported to have produced $900,000.00 in gold with less than 40 feet of working depth and 200 feet of length. The Washington mine reported a production of $500,000.00 from gold and silver ores, in which silver sulpharsenates and sulphides were identified. These minerals could not have been recovered with their operational procedures.

There has been no general comprehension of the complexity of the mineralization, even the intergrown minerals later identified in the Banner district 15 miles to the Northeast and the similar ores in the mines at Silver City, in Owyhee County 70 miles to the Southwest were not identified in the Gambrinus district until recently. Lindgren and others did note, however, the 90 ounce silver ores at the Washington mine contained ruby silver, stephanite and cerargyrite nearer the surface. The common genetic origin of the silver minerals in a belt that extends from the Banner district through the Gambrinus district to the Murphy - Silver City area is mentioned by Anderson and Rasor. Recent development at the King Solomon Mine located in the Gambrinus district has uncovered a vein system which carries the complex intergrown silver minerals specifically identified with this mineral belt.

These complex, intergrown silver minerals require sophisticated detection methods, equipment and special processes for their recovery that were not available in the early periods of activity outlined above.

The gold is interestingly intergrown with native iron, and with arsenic. The silver with other complex relationships that were not suspected by the early miners in the Gambrinus district. Their use of amalgamation on the ores resulted in huge losses. Jones in U.S.G.S. Bulletin 640 E, 1916, reports that throughout this area, ores not amenable to amalgamation and cyanide processes were a major cause of mine failures. The failure to utilize flotation processing and confusion with the metallurgy of the ores being mined in the Placerville area caused a similar loss of almost all of the silver values. The Washington mine and others wherein silver ores were identified either could not afford to install flotation, or were primarily interested in the gold because of the low price for silver. The British Syndicate operations of the silver lodes at the Banner and Silver City workings were successful as these were worked primarily for silver, and with adequate capital they did obtain good silver recoveries.

Property aquisition in the Gambrinus district to secure sufficient land and lease holdings to justify a large scale complex mill have been difficult until recently. Without a large land base for exploration, capital which would be required to determine the existence of reserves sufficient to justify a multi-million dollar milling and refining complex, would not be feasable.

GENERAL GEOGRAPHY

The Gambrinus district lies approximately 45 miles Northeast of Boise, Idaho, in the foothills of the mountains surrounding the Boise Basin. Three main gulches trisect the area, the Illinois, Gambrinus and Washington gulches form a drainage pattern which forms the valley creek contours and served as the transporting media for the placer gold that enriched the Idaho City Basin. Vein outcrops along the ridges have been well located by the thousands of prospectors over the years of early, intense activity. The average elevation of 5000 feet is broken with relief averaging between 300 and 500 feet. The district is located adjacent to State Highway 21, and consists of approximately 8 square miles. Many good dirt roads service the district, and sufficient water for milling purposes is available.

GEOLOGY

The surficial veins and their anticipated subsurface counterparts are part of a mineralized structural complex of en echelon cross faults over and along a deep seated zone of weakness. This zone of weakness forms a silver belt across the Southwestern portion of the Idaho batholith from Silver City in Owyhee County to the Banner Mines in Boise County, Northeast of the Gambrinus district. On the surface, superimposed nearly 90 degrees to the two mile wide silver belt are the relatively close spaced 'en echelon' cross faults which also existed in the previous zones of weakness. The surficial zones of weakness in late or post Cretaceous times were broken and intruded by porphry, aplite and pegmatite dikes which parallel the present vein complexes.

In Tertiary time up to Modern times the surficial zones of weakness were subjected to crustal movements and were mineralized by emanating ground waters and magmatic gasses, the results are hydrothermal lode deposition of quartz followed by argentiferous quartz which in turn was followed by silver and gold with allied elements. Silver bearing and related minerals identified on the surface exposures, and in pits for the Balboa, American Girl, Washington and the King Solomon are similar to and identical in comparison along the entire length of the pre-defined silver belt. Silver minerals so far identified are as follows: native gold and silver, argentite, cerargyrite, proustite, pyrargyrite and pearceite. The U. S. Bureau of Mines, who have confirmed the identification of the above minerals also have noted the relationship of arsenic to the silver minerals.

The Balboa, American Girl and Washington vein ores are nearly identical to ores found in the King Solomon Mines within a mile to the Southwest. Current investigation and sampling of the above prospects have been conducted on the surface, in old prospect pits, and along vein outcrops. Geo-chemical and petrographic analysis of the samples indicate a significant lode deposit that merits subsurface investigation.

The whole Gambrinus district appears to be located on one of the climax mineralization points along a well defined rich silver belt extending at least from Silver City, Idaho on the Southwest to the Banner mines on the Northeast paralleled in strike by marginal deposits in the Quartzburg - Placerville area on the Northwest, and Atlanta area on the Southeast.

The Washington mine, 2 miles to the Northeast of the King Solomon, along with the Banner and Edna mines, 15 and 10 miles also to the Northeast have all been cited for their rich silver bearing lodes by numerous investigators over a period of 60 years. Lindgren, Anderson, Jones, Ross and Rasor in U.S.G.S. and Economic Geology reports have cited these mines as interesting producers with potential reserves of silver. The Washington ore was reported to contain from 33 to 90 ounces of silver per ton while the Banner group in a relatively short period, limited works and from shallow depth produced $3,000,000.00 in silver bullion. The reported production of the Silver City area from the Minerals Yearbook is estimated at $20,000,000.00 in silver and $16,000,000.00 in gold. These mines are of special interest when the conditions under which they were operated, and the state-of-the-art in 1860 - 1890 are considered. During this period of activity, silver production from complex sulphide ores was not efficient.

The Gambrinus district and the Boise Basin were explored and developed on the basis of gold product primarily from placers, with rather inadequate technology from 1862 until 1942, consequently the silver sources along with the very complex gold ores were abandoned. Sufficient risk capital for mining ventures in the local area has never been available to re-investigate this district with modern technology.

In 1962 the King Solomon vein was unearthed, and deep probing of the ore body and structure by open cross cutting the vein has revealed a very strong fault zone, more than ten feet wide at the 80 foot depth, with rich ore deposits on both walls of the fissure vein. The gold ores lie on the footwall with high grade silver ores along the hanging wall suggesting the same structure in this large fault that is reported in the narrower vein complex at the Washington mine. Similarity of chemical inter-relationships, and complexly intergrown minerals identical to those found elsewhere along this silver belt indicate a probable lode deposit which will extend deeper than the practical reaches of mining.

Appended petrographic reports, assays and spectrographs all identify the relationship of the King Solomon Ores to the rich ores which have been developed in other districts along this belt, and the size of the fault, width and projected depth of the King Solomon vein and the type of mineralization indicate it's proximity to the source of these silver minerals.

Interesting intergrowths of iron, gold, silver and arsenic seem to suggest a genetic origin associated with the volcanic disturbances along Moores Creek south of the mine. The native iron in the spherical shape suggests very high temperatures as does the intergrown graphite-ferromagnesium minerals.

The existence of hydrothermal activity in the King Solomon vein for very long periods of time, and the banding of the minerals in the quartz, it's brecciation and subsequent re-mineralization all suggest an extremely active area with intermittent periods of extremely rich mineralizations followed by percolation of hot waters which produced the hydrothermal alterations and concentrations of ore in the veins.

The spectacular intergrowths identified above appear to have been caused by condensation of hot magmatic gasses where the intermixtures of these elements before deposition were in the vapor state. This is particularly shown by the native iron and gold, which when isolated by simple magnetic separation assays nearly $4,000.00 per ton in gold and silver, and contains 65% iron, 10% arsenic and approximately 15% of entrained quartz.

If our evaluation of the above evidence is correct, it indicates the the Gambrinus district veins were open faults at the time of the volcanic activity, and served as a vent or fumarole from the volcanic area, absorbing the laden magmatic gasses which passed through the Gambrinus district. The condensation of such hot magmatic vapors which contained both gold and silver could be compared to the deposit of soot in a smoke pipe, where subsequent flushing with hot water and steam containing a variety of strong solvents which disolve and transport the particles and their altered compounds along the vents and into the fractured zones. The three separate mineralization bands distinguished in the ores seem to represent the three major periods of activity. The large

volcanic area along Moores Creek, ten to fifteen miles Southwest of the King Solomon, is reported to have had three distinct lava flows, and extends all along this silver belt Southwest to the Owyhee mountains. Local hot springs and lava outcrops are located along this route, with an ancient lava flow about 3 miles Southwest of the King Solomon and an active hot springs 5 miles Southwest of the King Solomon vein.

SUMMARY

The Gambrinus district appears to be a climax point of mineralization and deposition of gold and silver in what appears to be separate time periods. The cross fault veins throughout the Gambrinus district appear to extend in depth to the source of the mineralization, and are astride the richest of the mineral belts which traverse this portion of the Idaho batholith. The entire Gambrinus district is laced with a series of parallel cross faults of various widths which were caused by crustal movements over a zone of weakness and which faults were later mineralized with silver and gold.

The chemical character of the minerals found indicate a close association to the ores of other districts along this belt, and a proximity to the source with the probability of a significant lode deposit at depth in this area. The reported past production of gold alone from erosion generated placers of over a quarter of a billion dollars, would suggest that the lode would be among the largest and richest in the United States. Condensed into a small area such as the Gambrinus, such huge dollar production from less than 8 square miles would justify an intensive program of exploration and development.

The associated silver values which were mostly lost in the early working of the district add incentive for deep probe exploration of the ore bodies which were never worked below 600 feet in the deepest of the old mines, and not yet discovered at the Balboa, Federal Reserve, American Girl and King Solomon groups.

Every U.S.G.S. report mentions the unaccountably small development of this area, from which it has been ascertained that the placers of the Idaho City area originated.

Modern Geo-chemical technology and a program of comprehensive drilling to effectively sample the known vein structures should reveal a new and important silver mining district.

Appended Data

1. Five samples, their assays and petrographic reports from the U. S. Bureau of Mines. These samples are from the enriched zone on the hanging wall of the King Solomon vein.

2. The magnetic iron component, wherein the gold and silver are intergrown with iron, arsenic and quartz in spherical shapes.

3. Massive sampling across more than ten feet of vein face at the King Solomon shows an average value as good as any of the large operating mines.

   Individual high grade samples of the gold and silver ores from the extremely high grade zones adjacent to the hanging wall (silver) and the foot wall (gold) indicate the tenor of the ore body.

4. A sample of very high grade 'ruby silver' ore, with both gold and silver values.

5. High grade silver ore from the hanging wall zone.

6. Sand concentrates obtained from 1966 refining operations, indicate the heavy mineral chemical association with the ores.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

April 24, 1963

Mr. J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

The five samples from the King Solomon mine in Idaho that you recently left at this Research Center were examined by our mineralogist, J. Montoya.

Based on rock classification, samples 1, 2, 4, and 5 are quartzites that differ from one another in the following respects. Samples 1 and 4 are identical. These specimens are composed of quartz associated with a minor amount of sericite mica and stained with limonite.

Sample 2 contains a relatively large amount of sericite, and minor amounts of limonite and a hydrous iron arsenate probably pharmacosiderite. Sample 5 is similar to sample 4 except that it also contains a trace proustite.

Sample 3 is classified as vein quartz containing a variety of silver minerals. These have tentatively been identified as the silver sulfide argentite and the silver sulfarsenates, proustite, and pearceite.

The only possibly important association that was noted is that the silver minerals seem to be related to the arsenic content of the specimens. As no gold was detected in the specimens examined, the relationship of gold to the rock class or mineral association remains unknown.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

NOTE: - ASSAYS ON FOLLOWING PAGE - (ITEM A) ARE REPORTS ON THE ABOVE 5 SAMPLES.

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ITEM A

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. BOX 1

REPORT OF ASSAY

SALT LAKE CITY, UTAH April 16, 1

J. H. Mc Knight

WE HAVE ASSAYED YOUR five SAMPLES AND FIND them TO CONTAIN AS FOLLO

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF G PER TON
	1	2.59	2.40							$ 90.
	2	0.21	231.60							$ 7.
	3	2.85	60.55							$ 99.
	4	0.32	52.80							$ 11.
	5	0.80	113.70							$ 28.

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ITEM B

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. BOX 1708

REPORT OF ASSAY

J. H. McKnight

SALT LAKE CITY, UTAH May 1, 1963

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
	6	0.24	108.90							$8.40

REMARKS:

2.50 Paid

CHARGES $

CRISMON & NICHOLS

BY

XERO COPY XERO COPY XERO COPY XERO COPY

2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY, UTAH 84112

May 17, 1965

Mr. J. H. McKnight
King Solomon Mines, Inc.
908 North 30th Street
Boise, Idaho

Dear Mr. McKnight:

Reference is made to your letter of May 5, 1965, concerning three mineral samples submitted for examination. The findings of our mineralogic study are as follows:

Sample 1. - This sample is composed chiefly of quartz, associated with altered feldspar, sericite, mica, kaolin, and talc. The black areas are composed of a mixture of ferromagnesium minerals, limonite, and graphitic material. The specimen is highly fractured, and the fracture planes coated with limonite. We could find no gold or other metallics in this rock fragment.

Sample 2. - This sample is essentially similar to sample 1. It contains more altered feldspar, talc, and sericite, and less ferromagnesium minerals and graphitic material. Metallic gold was noted in three of the four fragments comprising this sample.

Sample 3. - This sample is composed of round globules of iron, slivers of iron, as well as a few fragments of quartz, feldspar, and other rock minerals. Some of the particles appear to be fused together with a slag. The metal slivers, which are partly rusted, probably were introduced into the sample from the crushing or grinding equipment used to break the rock. The round metal globules and slag are probably synthetic products derived from high temperature melting. This supposition is supported by the fact that neither type of material was found in any of the rock specimens submitted.

Other than noting that the rock specimens are brecciated and apparently hydrothermally altered, we can make no cogent comment about the paragenesis of the minerals in the samples.

Sincerely yours,

C. H. Schack
Supv. Research Metallurgist

NOTE:- THE IRON COMPONENT ABOVE, EXTRACTED FROM ORE CONCENTRATES ARE A SIGNIFICANT PART OF THE ORE, AND NOT FOREIGN MATERIAL INTRODUCED BY ACCIDENT - THE NEXT 3 PAGES ARE CHEMICAL & ASSAY REPORTS ON THE ISOLATED IRON COMPONENT

METALLURGICAL LABORATORIES

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

Date February 7, 1966

Submitted by King Solomon Mines, Inc.
908 North 30th Street
Boise, Idaho

Sample of Mineral Product
CONCENTRATE

Qualitative Spectrographic Analysis
METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Cobalt	Calcium	Manganese	Arsenic	Iron	5116
Strontium	Magnesium	Mercury	Silicon		
Tin	Sodium	Silver			
Barium	Titanium	Chromium			
	Vanadium	Gold			
	Nickel	Potassium			
	Lead				
	Copper				
	Zinc				
	Zirconium				
	Molybdenum				

ADDED BY AMALGAMATION

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

2

UNITED STATES SMELTING REFINING AND MINING COMPANY
MIDVALE PLANT
29 NORTH HOLDEN STREET
MIDVALE, UTAH 84047
TELEPHONE 255-3511
P. O. Box 68

January 28, 1966

Mr. J. H. McKnight
King Solomon Mines, Inc.
908 North 30th Street
Boise, Idaho

Dear Mr. McKnight:

The enclosed assay certificate shows the assay result of your concentrate sample received here January 24th.

As indicated by assay, this product would have a value of $3,936.53 per ton.

We are enclosing a payment schedule for such material and treatment cost based on the attached assay results.

We would be interested in your shipping some trial lots to be evaluated.

We are also enclosing a form for our information in order to complete the settlement.

Shipments should be sent to International, Utah to the account of United States Smelting Refining and Mining Company. We presume your shipments would be made by truck and your concentrate contained in drums.

We look forward to hearing from you.

Sincerely,

W. Kastelic

W. Kastelic
for Blaine Watts
Ore Buyer

WK:mes

Encl. 3

ASSAY CERTIFICATE

5368 UNITED STATES SMELTING REFINING AND MINING COMPANY

Name King Solomon Mines

908 No. 30th St., Boise, Idaho

Midvale, Utah, January 26, 1966

LOT NO.	Oz. Gold Per Ton	Oz. Silver Per Ton	Per Cent Copper	Per Cent Lead	Per Cent Silica	Per Cent Iron	Per Cent Zinc	Per Cent Sulphur	Per Cent Lime	Per Cent Antimony	Per Cent Bismuth	Per Cent Arsenic	Per Cent Cadmium	Per Cent ox Pb	Per Cent ox Zn
H3	143.58	151.8	.22	Tr		65.7	Tr								
[illegible]	32.547	14.92								[illegible]	[illegible]	[illegible]			
	175.68	166.72	figured												

Chief Chemist

2

App #3

AREA CODE 303
TELEPHONE 244-4400

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DENVER EQUIPMENT COMPANY

1400 17th STREET, P. O. BOX 5268 * DENVER 17, COLORADO, U. S. A.

3

AIRMAIL
November 15, 1966

King Solomon Mines Inc.
908 North 30th Street
Boise, Idaho 83702

Attention: Mr. J. H. McKnight

Re: Order No. UW-97090

Gentlemen:

We have had some discussion concerning the sample of ore which you submitted, and have reported to you over the telephone the assay results. The report from the laboratory has been received, and as a matter of record for you is repeated below:

"Sample Identification

One carton of sample having a gross weight 228-pounds was received on October 19, 1966. Sample receiving No. 4273 was assigned to the shipment for identification purposes.

Sample Preparation

The entire sample as received was crushed to minus 1/2 inch, mixed, fractionally sampled and one eighth of the sample crushed to minus 10-mesh. A head sample for assay and a sample for examination was cut from the minus 10-mesh fraction by repeated passes over a riffle sampler.

Sample Description

The submitted sample represents a siliceous type ore which assayed 0.66 ounces of gold per ton and 2.64 ounces of silver per ton. The concentrate obtained by panning a portion of the minus 10-mesh ore consisted primarily of iron oxides, however a few particles of unidentified sulphide minerals were noted. Numerous particles of free gold as large as about 28-mesh were noted. The gold appeared to be very clean however a few particles showed some surface discoloration due to iron oxides."

23.10 Au.
3.40 Ag.
$26.50 TON

ALL SALES ARE SUBJECT TO AND INCORPORATE THE "GENERAL CONDITIONS OF SALE" ATTACHED.

3

SAMPLE MAP SHOWN IN INTRODUCTION LETTER APPENDIX.

November 15, 1966

King Solomon Mines Inc.

From this laboratory report it appears that a comprehensive test for the recovery of the gold and silver would be justified, assuming that the sample as submitted represents ore which could be delivered to a mill in sufficient quantity to justify economically the construction and operation of a plant to treat material corresponding to the sample submitted.

From this preliminary assay and examination it seems that the test work should encompass gravity concentration methods such as jigging and tabling, with amalgamation, and possibly also flotation tests to determine what values in sulphide minerals are recoverable.

In any event if a concentration plant were to be considered it would be important to have information resulting from an ore test such as the grindability of the ore, the size to which it must be ground to free the contained minerals and values and various other physical data which would be necessary in the proper selection of equipment to accomplish the intended purpose.

As mentioned in my letter of October 24 the complete batch test work could run as much as $1,250.00, but of course the laboratory work would be limited to the minimum number of tests required to secure required information and what could be considered as satisfactory, or ultimate results based on economic considerations.

We trust that this provides you with the information that you need at this time, and that you will not hesitate to get in touch with us concerning your further plans for this project.

Yours very truly

DENVER EQUIPMENT COMPANY

Elmer J. Garbella

Elmer J. Garbella
Western Sales Division

EJG:ac

CHANEL CUT- 10 FT WIDE AT KSM VEIN

3

EAST VEIN - SILVER

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH August 17, 1964

J. H. Mc Knight

WE HAVE ASSAYED YOUR three SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Mine Run 7 Ft Vein	1	0.23	20.55							$ 8.05
Argentite Ore 80 Ft. Depth	2	0.42	84.80							$ 14.70
Gouge Imbedded Ore 70 Ft. Depth	3	0.40	9.30							$ 14.00

REMARKS:

CHARGES $ 7.50

CRISMON & NICHOLS

BY [illegible]

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH January 13, 1964

J. H. Mc Knight

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Manganese Type Grade 1		1.79	51.40							$ 62.65

REMARKS:

CHARGES $ 2.50

CRISMON & NICHOLS

BY [illegible]

3

Silver Side

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. Box 1703

REPORT OF ASSAY

J. H. Mc Knight

SALT LAKE CITY, UTAH November 4, 1963

WE HAVE ASSAYED YOUR One SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
gh Grade Quartzite		1.08	132.90							$ 37.80

REMARKS:

CHARGES $ 2.50

CRISMON & NICHOLS

FORM 107 30M 10-61

INTERNATIONAL SMELTING AND REFINING COMPANY

TOOELE PLANT

J.H. McKnight Crude Hand samples

DATE Nov. 27 19 63

NAME		% Cu	% Pb	OZS. Ag	OZS. Au	% INSOL. SiO_2	% Fe	% S	% CaO	% Zn	% As	% Sb	% Al_2O_3	% Co
506	3175-1			75.26	.64	94.8	2.4		Tr		.30		1.0	
5507	3175-3M			31.61	.32	96.0	1.9		Tr		.20		.8	
508	3175-2D			42.16	.30	97.0	1.4		Tr		.30		Tr	
5509	3175-2Y			20.25	.30	96.6	1.5		Tr		.20		Tr	

CHEMIST

3

King Solomon mines
Illinois Gulch.
Talahi Pile Talahi

MAGMA COPPER COMPANY
Assay Certificate "A"

Date [illegible]

No.	LOCATION AND REMARKS	CU %	AG OZ.	AU OZ.	[illegible]	[illegible]	[illegible]
		0.10	20.40	0.25	94.6	1.0	1.7
	Ag = 20.40 x 95% x $1.29 =					$25.00	
	Au = 0.25 x $32.20 =					8.05	
			Gross =			$33.05	
	Smelting = $2.50 + 5% ($3.05) =					7.65	
			Net =			$25.40	

[illegible]
CHIEF CHEMIST

The Twining Laboratories, Inc.
Since 1897
CHEMISTS • ENGINEERS
2527 Fresno Street Fresno California 268-7021
1502 Coldwell Avenue Modesto California 523-0994
Please Address All Mail to P. O. Box 1472, Fresno, California 93716

June 22, 1966

Examination 32021

ASSAY FROM A RANDOM SAMPLE OF QUARTZITE FROM SOUTH WALL CUT #2 KING SOLOMONS MINE SAMPLED TAKEN 15 JUNE BY M. A. ANDERSON

For - Edward E. Wilkinson
5094 E. Hammond
Fresno, California

Sample - Ore
Received 6-20-66

GOLD, Au		SILVER, Ag	
Ounces/ton	Value/ton	Ounces/ton	Value/ton
3.00	$105.00	.82	$1.06

Gold valued at $35 per troy ounce
Silver valued at $1.29 per troy ounce

THE TWINING LABORATORIES, INC.

By Fred W. Twining

AV/ep

ENGINEERING AND ANALYTICAL SERVICES FOR CONSTRUCTION, TESTING, CONTROL, AND RESEARCH
Foundation and Geological Investigations, Construction Materials Inspection and Testing. Chemical and Physical Analyses of Concrete, Steel, Alloys, Soils, Plant Tissue, Fertilizers, Feeds, Waters, Minerals, Insecticides, Food Products, Alcoholic Beverages, Gases, Paints, Petroleum Products. Crop Damage Investigation, Expert Witness Court Testimony.

3

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4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH 84112

#12

February 18, 1964

Mr. Joseph McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

We have completed an examination of the rock speciman you recently left at this Research Center.

The rock is composed chiefly of quartz that contains individual blebs and disseminated crystals of proustite and argentite. Two minute specks of metallic gold were detected, as were a few crystals of partly altered pyrite. The yellow-brown stain on the fracture planes in the rock is limonite.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

NOTE. ASSAY - ITEM 8' ON NEXT PAGE IS THE REPORT ON THIS SAMPLE

4

Gold side 3½ foot well

ITEM A

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 — P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH September 18, 1964

J. H. Mc Knight

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Mine Run West Vein 75 Foot Level		3.84	6.35							$ 134.40

REMARKS:

CRISMON & NICHOLS

2.50

P. M. CRISMON, PRES.

#12

ITEM B

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 — P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH November 7, 1963

J. H. Mc Knight

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Red Ruby Raw Cross		1.84	161.35							$ 64.40

REMARKS:

CRISMON & NICHOLS

CHARGES $ 2.50 Paid

BY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

5

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

June 25, 1963

J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

The two mineral specimens you recently left at this Research Center have been examined.

Sample No. 7 is composed of fine-grained quartz. The three areas circled in black contain crystalline gold and the matrix of the quartz contains both argentite and proustite. The yellow-green stain on the specimen is an iron arsenate presumably derived by alteration of a primary arsenic mineral. The gold is completely surrounded by quartz. It is definitely not associated with the silver minerals nor is there any evidence that it was originally associated with any other primary mineral such as pyrite.

Sample No. 8 is a quartzite that has been fractured and then mineralized with quartz carrying the silver minerals, argentite and proustite. No free gold was noted in the specimen. The brown stain on the fracture planes of the specimen is limonite presumably derived by oxidation of pyrite or other primary iron minerals. This specimen seems to contain more proustite than sample No. 7 and considerably less iron arsenate.

We hope the information given in this letter is helpful to you.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

NOTE:- SPECTROGRAPHIC REPORTS ON THE FOLLOWING 2 PAGES ARE REPORTS ON THESE TWO SAMPLES.

5

METALLURGICAL LABORATORIES
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

Date October 14, 1963

Submitted by Mr. J. H. McKnight
435 East South Temple Street
Salt Lake City, Utah

Sample of #7 - Gold and Silver Vein Quartz

Qualitative Spectrographic Analysis

METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Chromium	Sodium	Iron	Aluminum	Silicon	9561-1
Manganese	Potassium	Silver			
Titanium	Zinc				
Copper	Lead				
Zirconium	Calcium				
Strontium	Magnesium				
Vanadium	Barium				
Nickel	Arsenic				
Cobalt	Antimony				
	Boron				

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

METALLURGICAL LABORATORIES
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

Date October 14, 1963

Submitted by Mr. J. H. McKnight
435 East South Temple Street
Salt Lake City, Utah

Sample of Ruby Silver Ore #8

Qualitative Spectrographic Analysis

METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Titanium	Silver	Iron		Silicon	9561-2
Manganese	Calcium	Aluminum			
Strontium	Magnesium				
Copper	Sodium				
Zinc	Potassium				
Nickel	Lead				
Cobalt	Arsenic				
Chromium	Antimony				
Vanadium	Zirconium				

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

METALLURGICAL LABORATORIES

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

6

Date March 3, 1966

Submitted by King Solomon Mines, Inc.
908 No. 30th Street
Boise, Idaho

Sample of Sand Concentrate

Qualitative Spectrographic Analysis
METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Strontium	Zinc	Manganese	Iron	Silicon	5194
Vanadium	Calcium	Aluminum	Arsenic		
Chromium	Magnesium	Sodium	Gold		
Bismuth	Titanium	Potassium	Silver		
Nickel	Zirconium	Copper	Mercury — ADDED BY AMALGAMATION		
Cobalt		Tin	Lead		

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

6

METALLURGICAL LABORATORIES INC.
CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by King Solomon Mines, Inc.
908 No. 30th Street
Boise, Idaho

Date March 3, 1966

SAND CONC.

Sample of Mineral

LABORATORY NO. 5194

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
Sand Concentrate	1636.96	57,293.60	1235.21	1593.42			

METALLURGICAL LABORATORIES INC.

By [signature]

6

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/15/67	Peterson	120
8/16/67	Kirkemo	120
		110
		220
		120 P

AIRMAIL

King Solomon Mines, Inc.
1370 Hill Road
Boise, Idaho 83702

Re: OME-6612 (Silver)
King Solomon Mines, Inc.
American Girl, et al., Claim Groups
Boise County, Idaho

Gentlemen:

In compliance with your request of July 22, 1967, we are considering the subject application as having been withdrawn and are placing it in our inactive files.

If you wish to reopen this case at any time in the future, you may do so by filing a new application, referring to this OME docket number, and furnishing the information pertinent to your new proposal. This information should include new bank letters dated within 90 days of filing the new application, but need not repeat data already submitted.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I
Mr. Peterson
120M

ECPeterson/gla 8-15-67

23263

6/23/67

Mr. Johnson
Mr. Peterson

Catherine and I have regarded this as an On-site Examination Report, as titled. OK

Question: What is intended as disposition of this docket, OME-6612? Need for supplement? information, or closed again?

Grace

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 21, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Frank C. Armstrong, Geological Survey F.C.A.

Subject: On-site Examination Report
OME-6612 (Silver)
King Solomon Mines, Inc.
American Girl, Balboa, and Washington Groups of Claims
Boise County, Idaho

June 13 and 14, 1967, were spent in discussion with Messrs. J. H. McKnight, President, and Paul D. Nelson, Geologist, King Solomon Mines, Inc., and in inspecting with them parts of the Washington, Balboa, and King Solomon Groups of claims. The American Girl Group of claims was not visited.

After the discussion and inspection it was agreed that a new application would be submitted for the Washington Group and adjacent claims only. The American Girl Group was staked on the eastward projection of known ore structures, but the area has not yet been prospected. A couple of pits have been bulldozed on the Balboa Group and these claims are also still in the prospecting stage. Accordingly, the American Girl and Balboa Groups will not be included in the new application.

Mr. McKnight thought that the new application might be submitted the first part of July, but I think that it may be August before the needed information will be assembled in suitable form. Enough information was gathered on the Washington Group so that it probably will not be necessary to make another on-site examination when the new application is received. Samples have been sent for assay.

Mr. McKnight was informed that OME would not approve the large overhead in the present application and that OME would not participate in purchase of the laboratory equipment asked for in the present application.

The apparent duplication of assaying costs in the present application was discussed with Mr. McKnight. The cost of assaying supplies is for geochemical assaying of soil samples. The cost for commercial assays is for assaying drill core and other samples.

In the original application the cost of drillsite roads appeared high. Bulldozing these roads may be expensive. The area is steep (I measured 40° on a typical slope on the Washington Group) and minutely dissected. Some blasting will be necessary, particularly on the Washington Group. Use of sledge- or cat-mounted diamond drills would reduce road-building costs.

cc: Armstrong

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 22 1967

INITIALS	CODE
	120
	110
	120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
May 18, 1967

King Solomon Mines, Inc.
1370 Hill Road
Boise Idaho 83702

Re: OME-6612 (Silver)
King Solomon Mines, Inc.
American Girl, et al., Claims Groups
Boise County, Idaho

Gentlemen:

Your OME application has been referred to this office for an on-site inspection.

For a proper inspection it will be necessary to see many of the surface exposures. Therefore, if you will advise us when the snow is sufficiently melted to permit this, we will arrange for an inspection as soon as possible thereafter.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Peterson	

AIRMAIL

Memorandum

MAY 16 1967

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OMX-6612 (Silver)
King Solomon Mines, Inc.
American Girl, et al., Claims Groups
Boise County, Idaho

The subject application is referred to you for further consideration, a field examination, and recommendations.

A review of the application indicates that the costly program as proposed is more in the nature of prospecting than exploration. The proposal is based chiefly on questionable theories and geologic assumptions with little or no real supporting data. However, further correspondence with the Applicant requesting additional data seems to us a waste of time because an on-site examination would be required to determine whether geological conditions indicate that exploration targets are present.

We agree with you, in the event of a contract the work should be limited to the most promising of the three areas. If favorable results are obtained there, the project could be expanded to include other areas. In addition, if geochemical work is considered necessary, it should be performed as a preliminary stage prior to drilling or other work. Any alternative program you may deem worthy should be discussed with the Applicant.

The estimated costs of the work are extremely high. Purchases of expensive office and laboratory equipment are not justified, and requests for technical and supervision services would necessarily need considerable trimming.

The Applicant has promised to submit copies of the revised leasing agreements and bids for the work contemplated. We note that in the event of a contract the Company will provide a Performance Bond in lieu of Lien and Subordination Agreements.

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Econ. Geol. File
OME Reading File
Peterson
130

ECPeterson/mm (5/15/67)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Peterson	
5/16/67	Kirkham	

AIRMAIL

King Solomon Mines, Inc.
1370 Hill Road
Boise, Idaho 83702

MAY 26 1967

Re: OME-6612 (Silver)
King Solomon Mines, Inc.
American Girl, et al., Claim Groups
Boise County, Idaho

Gentlemen:

This will acknowledge receipt of your letter dated May 8, 1967. We will expect to receive from you shortly copies of the new leasing agreements and bids mentioned in the letter.

Your comments regarding certain equipment purchases and allowances relative to the proposed work have been noted. However, under an OME contract purchases of expensive office and laboratory equipment cannot be justified. In addition, allowances for technical and supervision services totalling 30 percent of the estimated project costs are considered excessive. It should be noted that the bulk of funds provided under an OME contract is to be used for exploration purposes, not overhead.

The application is now being referred to Mr. D. R. MacLaren, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, South 157 Howard Street, Spokane, Washington 99204.

Mr. MacLaren will notify you if additional information concerning the application is needed, and possibly to make arrangements for a field examination.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
R-I w/cy inc. ltr
Peterson

ECPeterson/mm (5/15/67)

23263

King Solomon Mines
Incorporated
P. O. BOX 166
Idaho City, Idaho 83631
PHONE 344-7545 BOISE, IDAHO

Reply to:

1370 Hill Road,
Boise, Idaho 83702

May 8, 1967

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 11 1967
INITIALS CODE
120 M
FEA 110
EP 120 P

U.S. Dept. of the Interior,
Office of Minerals Exploration,
Washington 25, D.C.

Re: OME-6612 (Silver)

Attn. Frank E. Johnson:

Gentlemen:

In reply to your letter of April 12th we offer the following answers to the specific items cited:

Item 1. The lease arrangements with Ira Anderson are being renegotiated, and he has agreed to change the leases to afford OME investment protection. Two copies of the revision will be forwarded to you within a week.

Item 2. The most promising drill sites established in our proposal were necessary in order to formulate a basis for bids and a statement of work, and their location is only an approximation, based upon structural formations which we feel are indicative of the vein structures, however Geo-chemical mapping is planned in our proposal 'program schedule' and must precede the final selection of all drill sites. Please note the 'Program Schedule' chart which calls for the geo-chemical work.

Item 3. In this area we plan no 'in-house' assays as we have found it cheaper to have this work performed by Union Assay Co., and an outside confirmation of findings is desireable from our point of view. The Spectrographic work to be performed by an outside firm will include a full list of elements, particulary those trace elements normally associated with mineable deposits of silver. The 'in-house' capability is requested due to the need for quick check-out of samples while drilling to anticipate a change to core barrel when the vein is encountered. Without such an on site test and control capability the program would be severely hamstrung.

Item 4. Making hand written, and hand drawn copies of maps, reports and assays etc., which in this program would be of a considerable volume would be more costly in labor and certainly would cost more than the office machine investment, most of

which could be re-captured after the program was finished. The same re-capture advantage is available for the laboratory equipment required, and this method in our judgement is the prudent choice. ?

Item 5. Perhaps the breakdown analysis of our proposal was not in accord with the usual approach, and with most OME contracts wherein the drilling charges include much of the management and therefore reflect this item differently. Employment by us of the lowest basic cost for drilling did not include adequate or even usual supervision, no recording or analysis of results. We wish to point out that we have in the past contacted Nichols Universal Drilling Co., and their basic cost estimate for drilling started at $11.00 per foot. This type of outside contract, with the limited management overhead you suggested would still not cost less than our proposal, but some of the costs which we itemized would thereby be hidden in a drill bid. We are assuming that by having our own selection of well experienced and reliable experts in the technical and professional fields on the program and by utilizing the lowest cost basic drilling bids, we could meet the overall cost of a Nichols type drilling program which we are certain would run more than $10.00 per foot plus the itemized extras shown in our proposal. Boyles Brothers in a sight unseen bid today, knowing the history of the broken characteristics of the ground, and the fact that it is 'hard on bits' quoted a basic 'drilling only' price of $16.00 per foot. ??

In order to meet the program deadline of two years, we have proposed using two drill rigs which will require some duplication of supervision as the two rigs will be working at the same time in different locations. This makes it necessary to have the additional field supervision which we outlined in our proposal.

Analysis of the basic price of Nichols at $11.00 per foot, or Boyles Brothers at $16.00 per foot, plus the costs of contructing drill trails, drill sites, geo-chemical pre-testing, and associated cat work, all sample testing, including core sample testing, geological mapping, surveying, construction of assay maps, drill logs and then final analysis of results and reporting at an overall cost in our proposal at a little over the $16.00 per foot figure does not represent in our opinion a top heavy management project. We feel we have made an exhausting study of the needs, and have adequately researched the costs of various methods of accomplishment and can see no way to cut the supervision to one Geologist-engineer who would operate two drill rigs at different locations, hoping to be on top of the drilling progress sufficiently to pick up the veins as soon as they are cut. The consultant fee shown is for part time work over a period of two years, and the experience and past earnings record of Tom Evans should indicate that it is a reasonable fee.

We expect, if we initiate this program to obtain meaningful and accurate data, and have based our proposal on the basis of adequate engineering coverage to compile a useful record of the Gambrinus District which is spanned by our properties.

In the light of the above explanations, and the developed fact that our overall estimate is not much above the actual bid cost by Boyles Brothers for just the drilling, we would appreciate a more specific recommendation from you before we revise the details of our proposal.

We feel that our method at an actual lower overall cost, will be more productive of real and meaningful information of use not only to ouselves, but give well documented data to the U.S. Geological Survey.

We have developed specifications for both the drilling and the cat work, and are in the process of obtaining firm bids on these items.

Sincerely,

King Solomon Mines, Inc.,

J. H. McKnight

J. H. McKnight, President.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/12/67	Peterson	120
4/12/67	Kirkemo	120
		110
12	cor	220
		120M

King Solomon Mines, Inc.
1370 Hill Road
Boise, Idaho 83702

Re: OME-6612 (Silver)
King Solomon Mines, Inc.
American Girl, et al., Claim Groups
Boise County, Idaho

Gentlemen:

A preliminary review of your application for exploration assistance indicates that additional information and clarification of several items are required before we can continue its processing.

We would appreciate your comments regarding the leasing agreements with I. A. Anderson and Ruth E. Anderson, owners of the American Girl group of claims and other properties leased by King Solomon Mines, Inc. We note that the leases expire on June 30, 1968, and any further extension of the agreements is contingent upon whether commercial values of ore have been ascertained previous to that date. What provisions have been made for extending these leases should no ore of commercial value be found by the expiration date?

As it appears you have already determined the most promising sites for the proposed drilling, we do not understand the need to spend $38,000 for geochemical work. If this work is necessary, it should be discussed in your proposal and perhaps be considered as a preliminary stage prior to drilling or other work.

We note that $7,000 is estimated for outside assaying and spectrographic work; however, you have also allowed an additional $11,585 for purchase of equipment and supplies to be used for similar work. Please clarify.

We doubt that expensive office equipment, such as copy machines, adding machines, etc., is essential to the proposed work. Allowances for office supplies and expenses are held to a minimum in an OME contract.

Under an OME contract, reasonable allowances are made for supervision and technical services. The bulk of the costs in a contract should not be for these purposes as your application would suggest. We note that about 50 percent of the proposed project costs are for

23263

these items. Allowances for assistant managers, full-time consultants, non-supervisory engineer or geologists, etc., are not allowable costs in a contract.

A revised cost estimate reflecting more moderate costs for a geologist-engineer-supervisor and perhaps an assistant should be submitted. Allowances for a part-time consultant can also be included.

If the proposed drilling is to be contracted, as indicated in your application, cost estimates should be supported by bids from three contractors if possible. Because the rental of a bulldozer, including operator and supplies, amounts to an independent contract, bids supporting your cost estimate for this work should also be furnished.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application in abeyance until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/gla 4-12-67

March 29, 1967

Mr. J. H. McKnight President
King Solomon Mines, Inc.
1370 Hill Road
Boise, Idaho 83702

Subject: OME-6612

Dear Mr. McKnight:

Your application for exploration assistance, dated March 17, 1967, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6612.

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

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/6/67	Kirkemo	120
		110
		220

AIRMAIL

MAR 7 1967

Col. D. Lee Batten, (USAF RET.)
639 Paseo de la Playa
Redondo Beach, California 90277

Dear Col. Batten:

filed in file

This is to acknowledge receipt today of a copy of the narrative part of a proposed OME application to be submitted soon by King Solomon Mines, Inc.

We will keep this on hand pending receipt of the application and accompanying material.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region I w/cy Col. Batten's letter
Mr. Kirkemo

HKirkemo/gla 3-6-67

23263

Received 3/8/67

COL. D. LEE BATTEN, (USAF RET.)
639 PASEO DE LA PLAYA
REDONDO BEACH, CALIFORNIA 90277

March 6, 1967

Mr. Harold Kirkemo, Asst. Chief
Office Mineral Explorations
U. S. Geological Survey
Room 4456, Department of the Interior Bldg.
Washington, D. C.

Dear Mr. Kirkemo:

Today I am in receipt of the enclosed report, which I understand should have accompanied my letter of 3 March, copy attached.

Sincerely yours,

D. Lee Batten

DLB:vfm
Enclosure

Received 3/8/67

3 March 1967

Mr. Harold Kirkemo, Asst.Chief,
Office Mineral Explorations,
U. S. Geological Survey,
Room 4456, Department of the Interior Bldg.,
Washington, D. C.

Dear Mr. Kirkemo:

Reference is made to my visit with you 27 January during my brief stop-over in Washington, regarding the desires of King Solomon Mines, Inc. of Idaho City, Idaho, to file for assistance under the OME program.

Our president Mr. McKnight, has had several conversations with Mr. MacLaren in Spokane in connection with the matter. Mr. MacLaren has indicated his workload is such that following receipt and approval by your office, it may be June or July before he can get to the project.

The application is temporarily held up pending the signing of a formal document on one parcel; however, with a view to expediting it I am taking the liberty of forwarding to you for information purposes only, a copy of the application, without exhibits, received this week from Mr. McKnight. Hopefully, the action copy of the application, complete with all exhibits, will be filed with Mr. MacLaren within the next few days and will be forwarded to you shortly thereafter. We have given the matter a lot of thought, but if there are any areas we may have overlooked, - obvious to one skilled in this field, - we would be grateful for an early indication so that the application can be promptly amended.

In a telephone conversation with Mr. McKnight yesterday, he said most of the snow had already gone and that the weather was good. It is possible therefore, that Mr. MacLaren's one-man team might find the southern area cleared for exploration in advance of some of his more northern applicants.

With kind personal regards, I remain

Sincerely yours,

D. Lee Batten

Fncl.

Gold and Silver Mineralization in the Gambrinus District

Boise County, Idaho.

Paul D. Nelson & J. H. McKnight

INTRODUCTION

The Gambrinus district, Boise County, Idaho, the major source of placer gold for the Idaho City Basin is reputed to have produced two hundred and fifty million dollars in gold during it's period of activity, mainly from placers. The gold rush activity during the Civil War (1862 to 1865) increased the population at Idaho City, 5 miles to the Southwest, to nearly 20,000. Hydraulic placering and dredging operations in the Idaho City Basin 5 to 8 miles downstream from the Gambrinus district continued into the early 1940's. Like most of the old mining camps, the Gambrinus district has not been worked in recent years.

In spite of it's early prominence and rich gold placers which are attributed to the district by Lindgren, Jones, Anderson, Ross and others in U.S.G.S. reports, very little quartz mining developed. Mining depths below 600 feet were not attempted. The veins were reported as narrow but rich in both gold and silver. The reported production was significant since the Gambrinus veins were worked for gold. The ore minerals are complex and intergrown which severely limited the recovery with inadequate equipment that resulted from lack of finances and modern technology. Few operations were successful and these were located in extremely rich ores and placers. In spite of loss of values due to primitive equipment the Gambrinus mine in 1880 is reported to have produced $900,000.00 in gold with less than 40 feet of working depth and 200 feet of length. The Washington mine reported a production of $500,000.00 from gold and silver ores, in which silver sulpharsenates and sulphides were identified. These minerals could not have been recovered with their operational procedures.

There has been no general comprehension of the complexity of the mineralization, even the intergrown minerals later identified in the Banner district 15 miles to the Northeast and the similar ores in the mines at Silver City, in Owyhee County 70 miles to the Southwest were not identified in the Gambrinus district until recently. Lindgren and others did note, however, the 90 ounce silver ores at the Washington mine contained ruby silver, stephanite and cerargyrite nearer the surface. The common genetic origin of the silver minerals in a belt that extends from the Banner district through the Gambrinus district to the Murphy - Silver City area is mentioned by Anderson and Rasor. Recent development at the King Solomon Mine located in the Gambrinus district has uncovered a vein system which carries the complex intergrown silver minerals specifically identified with this mineral belt.

These complex, intergrown silver minerals require sophisticated detection methods, equipment and special processes for their recovery that were not available in the early periods of activity outlined above.

The gold is interestingly intergrown with native iron, and with arsenic. The silver with other complex relationships that were not suspected by the early miners in the Gambrinus district. Their use of amalgamation on the ores resulted in huge losses. Jones in U.S.G.S. Bulletin 640 E, 1916, reports that throughout this area, ores not amenable to amalgamation and cyanide processes were a major cause of mine failures. The failure to utilize flotation processing and confusion with the metallurgy of the ores being mined in the Placerville area caused a similar loss of almost all of the silver values. The Washington mine and others wherein silver ores were identified either could not afford to install flotation, or were primarily interested in the gold because of the low price for silver. The British Syndicate operations of the silver lodes at the Banner and Silver City workings were successful as these were worked primarily for silver, and with adequate capital they did obtain good silver recoveries.

Property aquisition in the Gambrinus district to secure sufficient land and lease holdings to justify a large scale complex mill have been difficult until recently. Without a large land base for exploration, capital which would be required to determine the existence of reserves sufficient to justify a multi-million dollar milling and refining complex, would not be feasable.

GENERAL GEOGRAPHY

The Gambrinus district lies approximately 45 miles Northeast of Boise, Idaho, in the foothills of the mountains surrounding the Boise Basin. Three main gulches trisect the area, the Illinois, Gambrinus and Washington gulches form a drainage pattern which forms the valley creek contours and served as the transporting media for the placer gold that enriched the Idaho City Basin. Vein outcrops along the ridges have been well located by the thousands of prospectors over the years of early, intense activity. The average elevation of 5000 feet is broken with relief averaging between 300 and 500 feet. The district is located adjacent to State Highway 21, and consists of approximately 8 square miles. Many good dirt roads service the district, and sufficient water for milling purposes is available.

GEOLOGY

The surficial veins and their anticipated subsurface counterparts are part of a mineralized structural complex of en echelon cross faults over and along a deep seated zone of weakness. This zone of weakness forms a silver belt across the Southwestern portion of the Idaho batholith from Silver City in Owyhee County to the Banner Mines in Boise County, Northeast of the Gambrinus district. On the surface, superimposed nearly 90 degrees to the two mile wide silver belt are the relatively close spaced 'en echelon' cross faults which also existed in the previous zones of weakness. The surficial zones of weakness in late or post Cretaceous times were broken and intruded by porphry, aplite and pegmatite dikes which parallel the present vein complexes.

In Tertiary time up to Modern times the surficial zones of weakness were subjected to crustal movements and were mineralized by emanating ground waters and magmatic gasses, the results are hydrothermal lode deposition of quartz followed by argentiferous quartz which in turn was followed by silver and gold with allied elements. Silver bearing and related minerals identified on the surface exposures, and in pits for the Balboa, American Girl, Washington and the King Solomon are similar to and identical in comparison along the entire length of the pre-defined silver belt. Silver minerals so far identified are as follows: native gold and silver, argentite, cerargyrite, proustite, pyrargyrite and pearceite. The U. S. Bureau of Mines, who have confirmed the identification of the above minerals also have noted the relationship of arsenic to the silver minerals.

The Balboa, American Girl and Washington vein ores are nearly identical to ores found in the King Solomon Mines within a mile to the Southwest. Current investigation and sampling of the above prospects have been conducted on the surface, in old prospect pits, and along vein outcrops. Geo-chemical and petrographic analysis of the samples indicate a significant lode deposit that merits subsurface investigation.

The whole Gambrinus district appears to be located on one of the climax mineralization points along a well defined rich silver belt extending at least from Silver City, Idaho on the Southwest to the Banner mines on the Northeast paralleled in strike by marginal deposits in the Quartzburg - Placerville area on the Northwest, and Atlanta area on the Southeast.

The Washington mine, 2 miles to the Northeast of the King Solomon, along with the Banner and Edna mines, 15 and 10 miles also to the Northeast have all been cited for their rich silver bearing lodes by numerous investigators over a period of 60 years. Lindgren, Anderson, Jones, Ross and Rasor in U.S.G.S. and Economic Geology reports have cited these mines as interesting producers with potential reserves of silver. The Washington ore was reported to contain from 33 to 90 ounces of silver per ton while the Banner group in a relatively short period, limited works and from shallow depth produced $3,000,000.00 in silver bullion. The reported production of the Silver City area from the Minerals Yearbook is estimated at $20,000,000.00 in silver and $16,000,000.00 in gold. These mines are of special interest when the conditions under which they were operated, and the state-of-the-art in 1860 - 1890 are considered. During this period of activity, silver production from complex sulphide ores was not efficient.

The Gambrinus district and the Boise Basin were explored and developed on the basis of gold product primarily from placers, with rather inadequate technology from 1862 until 1942, consequently the silver sources along with the very complex gold ores were abandoned. Sufficient risk capital for mining ventures in the local area has never been available to re-investigate this district with modern technology.

volcanic area along Moores Creek, ten to fifteen miles Southwest of the King Solomon, is reported to have had three distinct lava flows, and extends all along this silver belt Southwest to the Owyhee mountains. Local hot springs and lava outcrops are located along this route, with an ancient lava flow about 3 miles Southwest of the King Solomon and an active hot springs 5 miles Southwest of the King Solomon vein.

SUMMARY

The Gambrinus district appears to be a climax point of mineralization and deposition of gold and silver in what appears to be separate time periods. The cross fault veins throughout the Gambrinus district appear to extend in depth to the source of the mineralization, and are astride the richest of the mineral belts which traverse this portion of the Idaho batholith. The entire Gambrinus district is laced with a series of parallel cross faults of various widths which were caused by crustal movements over a zone of weakness and which faults were later mineralized with silver and gold.

The chemical character of the minerals found indicate a close association to the ores of other districts along this belt, and a proximity to the source with the probability of a significant lode deposit at depth in this area. The reported past production of gold alone from erosion generated placers of over a quarter of a billion dollars, would suggest that the lode would be among the largest and richest in the United States. Condensed into a small area such as the Gambrinus, such huge dollar production from less than 8 square miles would justify an intensive program of exploration and development.

The associated silver values which were mostly lost in the early working of the district add incentive for deep probe exploration of the ore bodies which were never worked below 600 feet in the deepest of the old mines, and not yet discovered at the Balboa, Federal Reserve, American Girl and King Solomon groups.

Every U.S.G.S. report mentions the unaccountably small development of this area, from which it has been ascertained that the placers of the Idaho City area originated.

Modern Geo-chemical technology and a program of comprehensive drilling to effectively sample the known vein structures should reveal a new and important silver mining district.

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Modern Geo-chemical technology and a program of comprehensive drilling to effectively sample the known vein structures should reveal a new and important silver mining district.

APPENDIX 1A

(1)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

April 24, 1963

Mr. J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

The five samples from the King Solomon mine in Idaho that you recently left at this Research Center were examined by our mineralogist, J. Montoya.

Based on rock classification, samples 1, 2, 4, and 5 are quartzites that differ from one another in the following respects. Samples 1 and 4 are identical. These specimens are composed of quartz associated with a minor amount of sericite mica and stained with limonite.

Sample 2 contains a relatively large amount of sericite, and minor amounts of limonite and a hydrous iron arsenate probably pharmaco-siderite. Sample 5 is similar to sample 4 except that it also contains a trace proustite.

Sample 3 is classified as vein quartz containing a variety of silver minerals. These have tentatively been identified as the silver sulfide argentite and the silver sulfarsenates, proustite, and pearceite.

The only possibly important association that was noted is that the silver minerals seem to be related to the arsenic content of the specimens. As no gold was detected in the specimens examined, the relationship of gold to the rock class or mineral association remains unknown.

SEE ASSAY VALUES
APPENDIX 1B

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

THIS IS A PETROLOGY REPORT, BASED ON MICROSCOPIC ANALYSIS OF ORE SAMPLES FROM THE KING SOLOMON VEIN, INDICATING THE VARIED AND COMPLEX MINERALIZATION.
SEE THE FOLLOWING PAGE FOR CORRESPONDING ASSAYS

APPENDIX 1B

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. Box 1

REPORT OF ASSAY

J. H. Mc Knight

SALT LAKE CITY, UTAH April 16, 1963

WE HAVE ASSAYED YOUR five SAMPLES AND FIND them TO CONTAIN AS FOLLO

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF G PER TON
	1	2.59	2.40							$ 90.
	2	0.21	231.60							$ 7.
	3	2.85	60.55							$ 99.
	4	0.32	52.80							$ 11.
	5	0.80	113.70							$ 28.

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417

P. O. Box 1708

REPORT OF ASSAY

J. H. McKnight

SALT LAKE CITY, UTAH May 1, 1963

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
	6	0.24	108.90							$8.40

REMARKS:

2.50 Paid

CHARGES $

CRISMON & NICHOLS

BY [illegible]

APPENDIX 2

2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY, UTAH 84112

May 17, 1965

Mr. J. H. McKnight
King Solomon Mines, Inc.
908 North 30th Street
Boise, Idaho

Dear Mr. McKnight:

Reference is made to your letter of May 5, 1965, concerning three mineral samples submitted for examination. The findings of our mineralogic study are as follows:

Sample 1. - This sample is composed chiefly of quartz, associated with altered feldspar, sericite, mica, kaolin, and talc. The black areas are composed of a mixture of ferromagnesium minerals, limonite, and graphitic material. The specimen is highly fractured, and the fracture planes coated with limonite. We could find no gold or other metallics in this rock fragment.

Sample 2. - This sample is essentially similar to sample 1. It contains more altered feldspar, talc, and sericite, and less ferromagnesium minerals and graphitic material. Metallic gold was noted in three of the four fragments comprising this sample.

Sample 3. - This sample is composed of round globules of iron, slivers of iron, as well as a few fragments of quartz, feldspar, and other rock minerals. Some of the particles appear to be fused together with a slag. The metal slivers, which are partly rusted, probably were introduced into the sample from the crushing or grinding equipment used to break the rock. The round metal globules and slag are probably synthetic products derived from high temperature melting. This supposition is supported by the fact that neither type of material was found in any of the rock specimens submitted.

Other than noting that the rock specimens are brecciated and apparently hydrothermally altered, we can make no cogent comment about the paragenesis of the minerals in the samples.

Sincerely yours,

C. H. Schack
Supv. Research Metallurgist

THE METAL SLIVERS GLOBULES AND SLAG REFERED TO IN THE 4th PARA. ARE VERY DEFINITELY A PART OF THE NATURAL ORE DEPOSIT. THE PHENOMENON IS UNUSUAL BUT IT IS AN IMPORTANT INDICATOR OF THE HIGH TEMPERATURE SOURCE OF MINERALIZATION.

APPENDIX 3A

AREA CODE 303
TELEPHONE 244-6666
CABLE "DECO" DENVER

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DENVER EQUIPMENT COMPANY

1400 17th STREET, P. O. BOX 5268 * DENVER 17, COLORADO, U. S. A.

3

AIRMAIL
November 15, 1966

King Solomon Mines Inc.
908 North 30th Street
Boise, Idaho 83702

Attention: Mr. J. H. McKnight

Re: Order No. UW-97090

Gentlemen:

We have had some discussion concerning the sample of ore which you submitted, and have reported to you over the telephone the assay results. The report from the laboratory has been received, and as a matter of record for you is repeated below:

"Sample Identification

One carton of sample having a gross weight 228-pounds was received on October 19, 1966. Sample receiving No. 4273 was assigned to the shipment for identification purposes.

Sample Preparation

The entire sample as received was crushed to minus 1/2 inch, mixed, fractionally sampled and one eighth of the sample crushed to minus 10-mesh. A head sample for assay and a sample for examination was cut from the minus 10-mesh fraction by repeated passes over a riffle sampler.

Sample Description

The submitted sample represents a siliceous type ore which assayed 0.66 ounces of gold per ton and 2.64 ounces of silver per ton. The concentrate obtained by panning a portion of the minus 10-mesh ore consisted primarily of iron oxides, however a few particles of unidentified sulphide minerals were noted. Numerous particles of free gold as large as about 28-mesh were noted. The gold appeared to be very clean however a few particles showed some surface discoloration due to iron oxides."

23.10 Au.
3.40 Ag.
$26.50 TON

ALL SALES ARE SUBJECT TO AND INCORPORATE THE "GENERAL CONDITIONS OF SALE" ATTACHED.

APPENDIX 3B

November 15, 1966

King Solomon Mines Inc.

From this laboratory report it appears that a comprehensive test for the recovery of the gold and silver would be justified, assuming that the sample as submitted represents ore which could be delivered to a mill in sufficient quantity to justify economically the construction and operation of a plant to treat material corresponding to the sample submitted.

From this preliminary assay and examination it seems that the test work should encompass gravity concentration methods such as jigging and tabling, with amalgamation, and possibly also flotation tests to determine what values in sulphide minerals are recoverable.

In any event if a concentration plant were to be considered it would be important to have information resulting from an ore test such as the grindability of the ore, the size to which it must be ground to free the contained minerals and values and various other physical data which would be necessary in the proper selection of equipment to accomplish the intended purpose.

As mentioned in my letter of October 24 the complete batch test work could run as much as $1,250.00, but of course the laboratory work would be limited to the minimum number of tests required to secure required information and what could be considered as satisfactory, or ultimate results based on economic considerations.

We trust that this provides you with the information that you need at this time, and that you will not hesitate to get in touch with us concerning your further plans for this project.

Yours very truly

DENVER EQUIPMENT COMPANY

Elmer J. Garbella

Elmer J. Garbella
Western Sales Division

EJG:ac

3

APPENDIX 4

4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH 84112

#12

February 18, 1964

Mr. Joseph McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

We have completed an examination of the rock speciman you recently left at this Research Center.

The rock is composed chiefly of quartz that contains individual blebs and disseminated crystals of proustite and argentite. Two minute specks of metallic gold were detected, as were a few crystals of partly altered pyrite. The yellow-brown stain on the fracture planes in the rock is limonite.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

PETROLOGY REPORT BASED ON MICROSCOPIC OF ORE SAMPLE FROM KING SOLOMON VEIN.

4

APPENDIX 5

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

5

SALT LAKE CITY
METALLURGY RESEARCH CENTER

1600 EAST 1ST SOUTH STREET
SALT LAKE CITY 12, UTAH

June 25, 1963

J. H. McKnight
435 East South Temple
Salt Lake City, Utah

Dear Mr. McKnight:

The two mineral specimens you recently left at this Research Center have been examined.

Sample No. 7 is composed of fine-grained quartz. The three areas circled in black contain crystalline gold and the matrix of the quartz contains both argentite and proustite. The yellow-green stain on the specimen is an iron arsenate presumably derived by alteration of a primary arsenic mineral. The gold is completely surrounded by quartz. It is definitely not associated with the silver minerals nor is there any evidence that it was originally associated with any other primary mineral such as pyrite.

Sample No. 8 is a quartzite that has been fractured and then mineralized with quartz carrying the silver minerals, argentite and proustite. No free gold was noted in the specimen. The brown stain on the fracture planes of the specimen is limonite presumably derived by oxidation of pyrite or other primary iron minerals. This specimen seems to contain more proustite than sample No. 7 and considerably less iron arsenate.

We hope the information given in this letter is helpful to you.

Sincerely yours,

C. H. Schack

C. H. Schack, Acting for
B. H. Clemmons
Research Director

PETROLOGY REPORT

METALLURGICAL LABORATORIES

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

APPENDIX 6A

1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

6

Date March 3, 1966

Submitted by King Solomon Mines, Inc.
908 No. 30th Street
Boise, Idaho

Sample of Sand Concentrate

Qualitative Spectrographic Analysis
METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Strontium	Zinc	Manganese	Iron ✓	Silicon	5194
Vanadium	Calcium	Aluminum	Arsenic ✓		
Chromium	Magnesium	Sodium	Gold ✓		
Bismuth	Titanium	Potassium	Silver ✓		
Nickel ✓	Zirconium	Copper	Mercury		
Cobalt ✓		Tin ✓	Lead		

REMARKS:

METALLURGICAL LABORATORIES

By [signature]
SPECTROCHEMIST

METALLURGICAL LABORATORIES
CHEMISTS • ASSAYERS • SPECTROGRAPHERS
1142 HOWARD STREET • SAN FRANCISCO 3, CALIFORNIA
UNDERHILL 3-8575

APPENDIX 6B

Date February 7, 1966

Submitted by King Solomon Mines, Inc.
908 North 30th Street
Boise, Idaho

Sample of Mineral Product
CONCENTRATE

Qualitative Spectrographic Analysis

METALS FOUND AND PERCENTAGE RANGE

LESS THAN 0.01%	.01 TO .10%	.10 TO 1.0%	1.0 TO 10.0%	MAJOR	LAB NO.
Cobalt ✓	Calcium	Manganese	Arsenic ✓	Iron	5116
Strontium	Magnesium	Mercury	Silicon		
Tin ✓	Sodium	Silver ✓			
Barium	Titanium	Chromium			
	Vanadium	Gold ✓			
	Nickel ✓	Potassium			
	Lead				
	Copper				
	Zinc				
	Zirconium				
	Molybdenum				

REMARKS:

METALLURGICAL LABORATORIES
By [signature]
SPECTROCHEMIST

Commodities

APPENDIX 7

Precise Methods of Prospecting for Gold, Other Metals Are Being Devised by Agency

By BURT SCHORR
Staff Reporter of THE WALL STREET JOURNAL 1966

WASHINGTON—Accompanied by his patient mule, the prospector picks his way over the rocky ground. Ahead, something glitters in the sun. He rushes to the spot and finds the gold nugget, unlocking a rich vein of the precious metal beneath his feet.

Such discoveries undoubtedly still await lucky finders somewhere on the globe. But if U.S. gold production ever recovers some of its former vigor, the cause more likely will be sophisticated prospecting methods being perfected by Geological Survey teams like the one that combed the Cortez Canyon district of central Nevada this past summer. The team, composed of geologists, chemists and technicians, located a likely area for finding gold in commercial quantities. A mining syndicate currently is preparing to conduct follow-up drilling.

These new methods, involving swift and extremely fine geochemical measurements, could easily benefit domestic production of other precious metals, too, Government geologists say. The long-range consequences of the Geological Survey's work, therefore, may turn out to be of considerable importance to U.S. metal traders and consumers. Violent price swings like those that have marked recent mercury transactions, for example, may be lessened in the future if the Federal program bears fruit.

The Cortez project capped studies dating back to the mid-1950s. Previously, Geological Survey research had shown that traces of arsenic, mercury, antimony and tungsten are associated with proven deposits of mineable gold ore.

The Nevada project's geologists and chemists also knew that these four elements were present at the Cortez site. But it required analyses of 238 rock samples to give real meaning to existing bits of information; maps made from the findings showed clearly overlapping formations of the arsenic, mercury, antimony and tungsten, plus the presence of gold and mercury.

"Their economic significance is yet to be established," is the way Geological Survey circular 534 conservatively assessed the gold and mercury findings. The report was enough for a syndicate that includes Bunker Hill Co., Kellogg, Idaho, and American Exploration Co., San Francisco, a subsidiary of Placer Development, Ltd., a Vancouver, British Columbia, concern, to hasten testing of the area's gold potentials. The syndicate is validating mining claims at the Cortez site and hopes to complete deep drilling tests within six months, says Charles E. Schwabb, president of Bunker Hill.

Obviously, a pattern of successful metal strikes will be needed to corroborate the theories employed in the Cortez district work. But some Government men already see circular 534 as an ititial step toward the day when the U.S. is more nearly self-sufficient in gold as well as in other valuable metals.

Dependence on Soviets

Last year, for example, the U.S. mined only 35,026 troy ounces of the platinum group of metals—platinum, palladium, iridium, osmium, rhodium and ruthenium—and consequently was forced to import nearly 1,200,000 troy ounces, almost half of it from the Soviet Union, to meet vital domestic uses ranging from chemical laboratory ware to jet engine parts. One standard ounce is equal to 1.097 troy ounces.

"Platinum-group metals are an essential part of our highly sophisticated industrial complex upon which our national security depends," observes Minerals Facts and Problems, published by the Bureau of Mines, a sister agency of the Geological Survey within the Interior Department. Yet "in the foreseeable future," the publication adds, "more than half of U.S. imports must be from the U.S.S.R."

Concerned by this and other aspects of U.S. dependency on foreign metal sources, Congress expanded the Geological Survey's funds for general study of mineral resources by 150%, to $10 million, for fiscal 1967, ending next June 30. This decision undoubtedly was influenced by a Geological Survey position paper outlining ways that highly refined geochemical measurements might detect large bodies of low-grade gold that now are economic to mine but exceedingly difficult to pinpoint. Newmont Mining Corp.'s Carlin, Nev., open-pit gold mine, with its gold concentration of only 10 to 12 parts a million, currently is the prime example of such low-grade exploitation in this country. However, several smaller open-pit mines, including Goldfield Corp.'s Getchell Mine in Humboldt County, Nev., also produce gold.

Traditional sources of U.S. gold production, the Geological Survey's paper noted, generally have been limited to gold veins, placer deposits where water has washed out bedrock gold and concentrated it and by-product recovery from other metal mining operations. U.S. gold production hit a peak of 4,800,000 troy ounces in 1940. World War II Government restrictions on gold operations, intended to switch manpower to other types of mining, gave the industry a setback from which it hasn't yet recovered. Production skidded steadily to a 1963 low of 1,454,000 troy ounces; it has turned up slightly to 1,705,000 troy ounces last year, but is still far below U.S consumption, which in 1965 totaled 5,276,000 troy ounces.

Reversing the Trend

"If the trend of declining production is to be permanently reversed, major new sources of gold in new kinds of geologic environments must be found," the Geological Survey paper observed.

One such geologic environment whose exploitation could prove fruitful, the paper suggested, are fossil placers currently locked in sandstones and conglomerates. Such formations "near the Wyoming-Idaho border contain gold in concentrations ranging up to several parts a million with a total estimated value of $3 billion," the Geological Survey's study stated.

Detecting low-grade deposits of gold and other metals, and assuring sufficient ore supply to warrant the large capital investment in giant machinery needed to mine it, require extremely sensitive assay methods. Fortunately, an atomic absorption spectrophotometric technique, with sensitivities down to 15 parts a billion, already exists. Some large mining companies, in fact, have been using this procedure for several years. But Geological Survey administrators strongly doubt any private enterprise has the resources or the desire to compile on its own the mass of required preliminary field data that will be needed.

One tedious task ahead is determining the amounts of metal present in everyday rocks, soil and sand, for examples. These ordinary materials are believed to have an average gold abundance level of about five parts a billion. With such tabulations in hand, it will be easier for geologists to determine when trace findings have significance.

Utilizing Atomic Energy

An important tool in this work will be a $500,000 atomic facility under construction at the Geological Survey's exploration research headquarters outside Denver, with money supplied by this year's budget increase. By bombarding metal atoms with subatomic particles, then studying the effect of special analyzers, technicians may be able to detect metal concentrations as minute as .000006 troy ounces per ton. This would allow definitions of metal levels now merely described as a "trace."

"It's like measuring the piece of dust on the whisker of a gnat," says Alfred Marranzino, who heads the Denver operation.

Also under Mr. Marranzino's command is a newly acquired Geological Survey fleet of 18 mobile laboratories, including the one used at the Cortez project; some 40 new analytical chemists and technicians recently have been added to the agency's payroll to assist in manning the fleet. The mobile labs permit field geologists to learn in hours what formerly required months.

"Traditionally, the geologist collects samples all summer, submits them to a lab and gets the results the following winter," says Ralph L. Erickson, chief geologist in the Geological Survey's Denver office. "But with that kind of delay, it's hard to remember what you were thinking at the time you took the sample. Now the geologist will get his answers immediately and be able to discuss problems with the chemist in the field. He can prepare a geological map on the site or quickly abandon a sterile line of reasoning."

London Silver and Gold

LONDON — The spot silver price was 11⅞ pence an ounce and forward silver was 112⅞, both unchanged from Monday.

The gold price was 251s 9½d, down from 251s 10¾d Monday. The fixing was announced as equal to $35.15¼, up from $35.14⅞. The discrepancy reflects exchange rate fluctuation.

London Metal Market

LONDON—The following quotations are in pounds sterling per long ton on the London Metal Exchange:

	Tuesday Bid	Tuesday Asked	Monday Bid	Monday Asked
Copper—Wire Bars—Spot	492	493	496	498
3 months	485	485½	488	489
Tin—Spot	1210	1211	1208	1210
3 months	1212½	1213½	1210	1212
Lead—Spot	81¾	82	81½	81¾
3 months	82⅛	82⅜	81¾	82
Zinc—Spot	107	108	106½	108
3 months	100	100½	100	100¼

ASSAY CERTIFICATE

5368 UNITED STATES SMELTING REFINING AND MINING COMPANY

Name King Solomon Mines

908 No. 30th St., Boise, Idaho

Midvale, Utah, January 26, 19 66

LOT NO.	Oz. Gold Per Ton	Oz. Silver Per Ton	Per Cent Copper	Per Cent Lead	Per Cent Silica	Per Cent Iron	Per Cent Zinc	Per Cent Sulphur	Per Cent Lime	Per Cent Antimony	Per Cent Bismuth	Per Cent Arsenic	Per Cent Cadmium	Per Cent ox Pb	Per Cent ox Zn
H3	143.58	151.8	.22	Tr		65.7	Tr								
[illegible]	33.547	34.92								[illegible]	[illegible]	[illegible]			
	114.658	121.33	[illegible]												

[illegible]

Chief Chemist

XERO COPY

METALLURGICAL LABORATORIES INC.

CHEMISTS • ASSAYERS • SPECTROGRAPHERS

1142 HOWARD STREET • SAN FRANCISCO, CALIFORNIA
UNDERHILL 3-8575

REPORT OF ASSAY

Submitted by King Solomon Mines, Inc.
908 No. 30th Street
Boise, Idaho

Date March 3, 1966

Sample of Mineral SAND CONC.

LABORATORY NO. 5194

MARK	GOLD, PER TON OF 2,000 LBS.		SILVER, PER TON OF 2,000 LBS.		%	%	%
	TROY OUNCES	VALUE AT $35.00 OZ.	TROY OUNCES	VALUE			
Sand Concentrate	1636.96	57,293.60	1235.21	1593.42			

METALLURGICAL LABORATORIES INC.

By [signature]

EAST VEIN - SILVER

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 — P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH August 17, 1964

J. H. Mc Knight

WE HAVE ASSAYED YOUR three SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Mine Run 7 Ft Vein	1	0.23	20.55							$ 8.05
Argentite Ore 80 Ft. Depth	2	0.42	84.80							$ 14.70
Gouge Imbedded Ore 70 Ft. Depth	3	0.40	9.30							$ 14.00

REMARKS:

CHARGES $ 7.50

CRISMON & NICHOLS

BY P. M. Crismon

P. M. CRISMON, Pres.

CRISMON & NICHOLS

ASSAYERS AND CHEMISTS

229-231 SOUTH WEST TEMPLE STREET

PHONE EM 3-7417 — P. O. BOX 1708

REPORT OF ASSAY

SALT LAKE CITY, UTAH January 13, 1964

J. H. Mc Knight

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT ZINC	PER CENT INSOL.	PER CENT IRON	PER CENT	VALUE OF GOLD PER TON
Manganese Type Grade 1		1.79	51.40							$ 62.65

REMARKS:

CHARGES $ 2.50

CRISMON & NICHOLS

BY P. M. Crismon

3

The Twining Laboratories, Inc.
Since 1897
CHEMISTS • ENGINEERS
2527 Fresno Street Fresno California 268-7021
1502 Coldwell Avenue Modesto California 523-0994
Please Address All Mail to P. O. Box 1472, Fresno, California 93716

June 22, 1966

Examination 32021

ASSAY FROM A RANDOM SAMPLE OF QUARTZITE FROM SOUTH WALL CUT #2 KING SOLOMONS MINE SAMPLED TAKEN 15 JUNE BY M. A. ANDERSON

For - Edward E. Wilkinson
5094 E. Hammond
Fresno, California

Sample - Ore
Received 6-20-66

GOLD, Au		SILVER, Ag	
Ounces/ton	Value/ton	Ounces/ton	Value/ton
3.00	$105.00	.82	$1.06

Gold valued at $35 per troy ounce
Silver valued at $1.29 per troy ounce

THE TWINING LABORATORIES, INC.

By Fred W Twining

AV/ep

ENGINEERING AND ANALYTICAL SERVICES FOR CONSTRUCTION, TESTING, CONTROL, AND RESEARCH
Foundation and Geological Investigations, Construction Materials Inspection and Testing. Chemical and Physical Analyses of Concrete, Steel, Alloys, Soils, Plant Tissue, tilizers, Feeds, Waters, Minerals, Insecticides, Food Products, Alcoholic Beverages, Gases, Paints, Petroleum Products. Crop Damage Investigation, Expert Witness Court Testimony.

COL. D. LEE BATTEN, (USAF RET.)
639 PASEO DE LA PLAYA
REDONDO BEACH, CALIFORNIA 90277

3 March 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 6 1967
INITIALS | CODE
HK | 120

Mr. Harold Kirkemo, Asst.Chief,
Office Mineral Explorations,
U. S. Geological Survey,
Room 4456, Department of the Interior Bldg.,
Washington, D. C.

Dear Mr. Kirkemo:

Reference is made to my visit with you 27 January during my brief stop-over in Washington, regarding the desires of King Solomon Mines, Inc. of Idaho City, Idaho, to file for assistance under the OME program.

Our president Mr. McKnight, has had several conversations with Mr. MacLaren in Spokane in connection with the matter. Mr. MacLaren has indicated his workload is such that following receipt and approval by your office, it may be June or July before he can get to the project.

The application is temporarily held up pending the signing of a formal document on one parcel; however, with a view to expediting it I am taking the liberty of forwarding to you for information purposes only, a copy of the application, without exhibits, received this week from Mr. McKnight. Hopefully, the action copy of the application, complete with all exhibits, will be filed with Mr. MacLaren within the next few days and will be forwarded to you shortly thereafter. We have given the matter a lot of thought, but if there are any areas we may have overlooked, - obvious to one skilled in this field, - we would be grateful for an early indication so that the application can be promptly amended.

In a telephone conversation with Mr. McKnight yesterday, he said most of the snow had already gone and that the weather was good. It is possible therefore, that Mr. MacLaren's one-man team might find the southern area cleared for exploration in advance of some of his more northern applicants.

With kind personal regards, I remain

Sincerely yours,

D. Lee Batten

Fncl.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/30	~~[illegible]~~	~~110~~
		280

January 30, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: Office visit by D. Lee Batten, Col., USAF (Ret.), 639 Paseo de la Playa, Redondo Beach, Calif. 90277

D. Lee Batten visited the OME office in Washington, D. C., on January 27, 1967, to report that a group in which he has an interest is preparing an OME application to explore the King Solomon Mines in Illinois Gulch, 4½ miles northeast of Idaho City, Idaho. According to Mr. Batten, Paul Nelson, Head, Geology Department, Boise College, and Tom Evans, Head, Mining Department, Santa Fe Railway, are involved in the venture.

Mr. Batten wanted to know how much time is required to process an application. I told him this depended upon the adequacy of the information submitted, accessibility of the property, and the schedule of the field officer for field examinations. I told him that under ideal situations a decision could be reached in about two months from receipt of the application.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region I
Kirkemo

HKirkemo/mm (1/30/67)

23263