DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~DMEA~~ NO. 2148

OME ~~DMEA~~ NO. 6236

Application
- [ ] Denied
- [ ] Withdrawn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

- [x] Royalty Audits May 4, 1965, January 1970
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits 12-5-63
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes 5-17-62
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

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

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 3 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 2 : Maps (Use pocket folder or envelope)

Folders No. 4 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

17963

I-C-DC-OME-16-70

Docket copy

90

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review
Audit Operations

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 18 1970

INITIALS	CODE
gla	130
	120

Report of Royalty Review-Contract 2148
Docket No. OME-6236 (Gold-Silver)
Northern Continental, Inc.
Phillips County, Montana

Washington, D.C.
January 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF SURVEY AND REVIEW
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20240

FEB 13 1970

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Audit Operations, Office of Survey and Review

Subject: Royalty Review of Contract 2148
Docket No. OME-6236 (Gold-Silver)
Northern Continental, Inc.
Phillips County, Montana

As requested by the Chief, Office of Minerals Exploration, we made a royalty review of Contract 2148. The results of our review are shown in the attached report.

C. D. Baer

Attachment

We examined the cash receipts records in the Branch of Budget and Finance, Administrative Division, Geological Survey, and reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to royalty due to the Government on the value of production from property included in Contract 2148 with Northern Continental, Inc. (Operator). The review was made during January 1970 at Washington, D.C.

Under the terms of this contract, the Operator is obligated to pay to the Government a 5 percent royalty on the value of any production from the land described in the contract for a period of 10 years from the date of the contract (May 17, 1962) or until the total net amount ($33,734) contributed by the Government with interest at 6 percent, shall have been repaid, whichever occurs first.

A prior royalty review completed during May 1965, reported that through April 30, 1965, the value of production was $285,447 and that royalty payments of $14,272 had been received by OME.

The present review covers production from April 13 to July 14, 1965. During this period the value of production was $39,729 and royalty payments received by OME were $1,987.

On May 20, 1965, the Operator informed OME that all known economic ore reserves had been extracted from the mine and on July 1, 1965,

the Operator turned the lease back to the owner, Little Rockies Mining and Development Co. On May 18, 1967, Little Rockies Mining and Development Co. leased the mine to Little Rocky Mining Co., Ltd. which consequently gave them the responsibility to pay royalties to OME. However, if Little Rocky Mining Co., Ltd. does not pay the royalties, then the responsibility to pay royalties transfers back to Little Rockies Mining and Development Co. as stipulated in the Lien or Subordination agreement of the contract. Since July 14, 1965, there has been no production.

The value of production and royalty due and paid the Government through July 14, 1965, is as follows:

Period	Value of Production	Royalty Due and Paid
Prior Review	$285,447	$14,272
This Review	39,729	1,987
Total	$325,176	$16,259

C. D. Bare
Regional Director

MME FORM 6 REFERENCE SL[illegible]

REV. 2-59 OFFICE OF MINERALS E[illegible]ORATION

TO:	DATE	INITIALS
~~1.~~ (2) Mr. Selfridge		
~~2.~~ (1) Mr. Johnson	5/5	[illegible]
3.		
4.		
5.		220
FROM: Mr. Fisher		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

MAY 5 1965

Memorandum

To: Acting Field Officer, Region I

From: Contract Administration and Audit Division
/s/ C. E. Fisher

Subject: GME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

The original and two copies of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, Department of the Interior, Washington, D. C. 20240;

(b) One copy for the Operator; and

(c) One copy for your files.

As evidence of your concurrence, a copy of your letter transmitting the copy of the report to the Operator should be furnished this Division. If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Enclosure

CEFisher:fh
5/5/65

cc: Docket
Fiscal Section
CA & A Division
Director's reading file

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract 14-23-90-2148, Docket OME-6236 (Gold-Silver) dated May 17, 1962, with

Northern Continental, Inc.
4534 West North Avenue
Chicago, Illinois 60639

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Gold Bug, et al., claims located in Phillips County, Montana, during the period May 17, 1962, through April 30, 1965.

A certification of possible production was issued on January 29, 1964, and, in accordance with Article 6 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract or transported through any workings or portions thereof to the cost of which the Government has contributed for a period of 10 years from the date of the contract or until the total net amount contributed by the Government with interest at 6 percent is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated December 5, 1963, indicated accepted costs under the exploration contract amounting to $67,467.40 with the Government's contribution on a 50 percent basis being $33,733.70.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review found the total sales subject to the Government's royalty for the period to be $285,447.39. Royalty payable to the Government at the rate specified in the contract is $14,272.36.

As of April 30, 1965, the royalty account of this project was found to be:

Total Royalty Payable	$14,272.36
Total Royalty Paid	14,272.36
Balance of Royalty Due	$ -0-

C. E. Fisher, OME Auditor

May 4, 1965

14-23-90-2148 Northern Continental, Inc. OME-6236

STATUS OF PROJECT, SCOPE OF REVIEW AND REASONS THEREFOR

This contract provides that the Operator, whether or not the producer, shall pay to the Government a percentage royalty on all minerals produced from the land under the contract or transported through any workings or portions thereof to the cost of which the Government has contributed.

The land under the contract consists of 4 patented and 2 unpatented lode mining claims in secs. 15 and 22, T. 25 N., R. 24 E., Montana PM, Phillips County, Montana. The Operator has rights of possession of the claims under terms of a mining lease dated July 10, 1961, granted by Little Rockies Mining and Development Company. The lessor, together with 8 individuals having royalty rights on production from the claims, executed a lien or subordination agreement to secure the payment of the Government's royalty on production provided by the contract.

Exploration work under the contract was started in June 1962 and was completed in September 1963. The first shipment of crude ore (Mine lot No. 1) was received at the East Helena plant of American Smelting and Refining Company on February 29, 1964. The Operator has paid the Government's royalty on a monthly basis as and when settlements are made by the smelter. The last settlement at the date of this Report of Royalty Review relates to 1965 Mine Lot No. 9, settled as of March 19, 1965.

This review included the recomputation and tabulation of copies of liquidation statements furnished by the Operator in support of the royalty remittances. A brief summary of the production, value and royalty payable and paid as disclosed by such tabulation follows:

Short Wet Tons - Ore		4,692.281
Short Dry Tons - Ore		4,415.894
Value		$359,846.72
Allowable deductions:		
Treatment	$26,495.58	
Hauling	46,922.75	
Umpire	981.00	74,399.33
Net value subject to royalty		$285,447.39
Royalty Due 5%		14,272.36
Royalty Paid		14,272.36
Balance of Royalty Due		$ -0-

STATUS OF PROJECT, SCOPE OF REVIEW (CONT'D)
AND REASONS THEREFOR

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that all sales of production from the property have been reported and proper royalty thereon paid; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/28	Murphy	500
1/28	Fahlbert	800
	Selfridge	120
1/28	Johnson	110
		100
1/29	Cox	220
		500

UNITED STATES OF AMERICA
CERTIFICATION OF POSSIBLE PRODUCTION
UNDER AN EXPLORATION CONTRACT

Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OMM-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

Pursuant to Article 6 of the contract, as amended, referred to above, the Government hereby certifies that mineral or metal production may be possible as a result of the exploration work.

Therefore, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract and on all production transported through workings to the cost of which the Government contributed in accordance with the special "Agreement Concerning Royalty" in Article 14 of the contract, from May 17, 1962, to May 17, 1972, or until the sum of $33,733.70 is fully repaid with interest, at the rate of 6 percent per annum, whichever occurs first. The payment of royalties is secured by a lien upon the land and upon any production therefrom.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production, and upon any cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

Dated this 29 day of January, 1964.

THE UNITED STATES OF AMERICA

George Fumich, Jr.

Acting Director, Office of Minerals Exploration

FMMurphy/mm
12/9/63
cc: Little Rockies Mining & Development Company
412 West Main Street, Lewistown, Montana
Marion S. and Juanita Heller, Lewistown, Montana
Cecil and Margaret Flinders, " "
Frank B. and Della Bryant, ~~Townsend, Montana~~ resent to Lewistown Mont. 220 West Washington St.
Edward F. and Vesta Wieglenda, Denton, Montana
CA&A Division
Fiscal Section
Region I
Director's Reading File
Review Committee
F. E. Johnson
Docket

See Operator's letter of Feb. 19, 1964 in [illegible]

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/26	Murphy	500
	[illegible]	500
	Selbrede	120
2/26	[illegible]	110
	[illegible]	100
2/26	Cole	220
		560

FEB 26 1964

Mr. and Mrs. Frank B. Bryant
222 West Washington St.
Lewistown, Montana

Re: OMM-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. and Mrs. Bryant:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien or Subordination Agreement signed by you on March 5, 1962.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm (2/28/64)
cc: Director's Reading File
Docket

23263

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/10	Murphy	500
12/9	McLeane	500
1/28	Talbert	800
	Jeffrodge	120
1/21	Johnson	110
"	Fumich	100
		220
		500

JAN 29 1964

Little Rockies Mining and Development Company
412 West Main Street
Lewistown, Montana

Re: OMX-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien ~~and~~ or Subordination Agreements signed by Mr. Cecil Flinders, president of your company, on March 5, 1962.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
12/9/63
cc: Director's Reading File
Region I
Docket

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/10	Murphy	500
12/9	on leave	500
1/28	Talbert	800
	Jellerdge	120
1/28	Edwards	110
"	Fumich	100
		220
		500

JAN 29 1964

Mr. and Mrs. Marion S. Heller

Lewistown, Montana

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. and Mrs. Heller:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien and Subordination Agreements signed by you on March 5, 1962.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

MMerrithew/mm
12/9/63
cc: Director's Reading File
Region I
Docket
Identical letters also mailed to: Mr. and Mrs. Cecil Flinders
Mr. and Mrs. Frank B. Bryant
Mr. and Mrs. Edward Wieglenda

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

pertaining to Exploration Contract 14-23-090-2148, OME No. 6236, including Amendments Nos. 1 and 2, for June 1962 to September 1963, inclusive, covering a gold-silver project on the Gold Bug, et al., Claims, Phillips County, Montana.

My review included an examination of the Monthly Vouchers (OME Forms 60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs of work performed.

The findings of this review are stated in the following summary and the attached schedule:

Total cost billed by Operator		$67,779.40
Exceptions:		
Prior to this review	$312.00	
Herewith	-0-	312.00
Total acceptable cost		$67,467.40

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

Payable on audited claim	$33,733.70
Paid to date	33,533.69
Balance due Operator	$ 200.01

E. D. Talbert

December 5, 1963

E. D. Talbert, OME Auditor

14-23-090-2148 Northern Continental, Inc. OMK-6167

Exceptions prior to this review:

Assays of 942 samples were claimed by the Operator, but the assays of only 786 samples were accepted by the Acting Field Officer of OMK Region I as meeting contract specifications; difference disallowed, 156 samples @ $2.00	$ 312.00

Total acceptable cost:

Bulldozing, 69.6 hrs. @ $12.50	$ 870.00
Drifting, 1500 ft. @ $36.00	54,000.00
Timbering, 143.52 ft. @ $7.50	1,076.40
Raising, 200 ft. @ $36.00	7,200.00
Long-hole drilling, 2749 ft. @ $1.00	2,749.00
Samples Assayed, 786 ea. @ $2.00	1,572.00
	$67,467.40

OME
JUN 14 1963

Long
App'l. Sol. Off.
Murphy
Talbot
Selfridge
Johnson

Government's Copy

EXPLORATION CONTRACT
NORTHERN CONTINENTAL, INC.
OME-6236

AMENDMENT NO. 2

It is agreed this 16th day of May, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Continental, Inc., hereinafter referred to as the "Operator," that Contract No. 2148 (OME-6236), dated May 17, 1962, as amended, is further amended, effective May 17, 1962, as follows:

1. In Exhibit A, under General Provisions, the first paragraph is deleted and replaced as follows:

> "When structure and/or mineralization indicate the advisability, the drift and raises shall be sampled by cutting channels normal to the trend of the mineralization or structure. In zones shown to contain significant values in gold and/or silver, similar channel samples shall be taken at intervals of not more than 10 feet. In these zones composite car samples from each round may be substituted for channel samples. The cuttings from long-hole drill holes shall be recovered and if they show significant mineralization they shall be sampled. Each such sample shall represent not more than a 5-foot length of hole."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnich Jr.
Director, Office of Minerals Exploration

NORTHERN CONTINENTAL, INC.

By C. R. Reynolds

Title Gen'l. Supt.

RECEIVED
MAY 20 1963
U. S. G. S.
SPOKANE, WASH.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

May 8, 1963

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer
Division of Minerals

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Philips County, Montana
Contract 2148

JUSTIFICATION FOR AMENDMENT NO. 2

In his Interim Inspection report, dated May 2, 1963, the Acting Field Officer, Region I, recommended the proposed amendment and gave good reasons why it should be made effective.

The writer concurs with MacLaren.

F M Murphy

FMMurphy/gla

43683

Government's Copy

EXPLORATION CONTRACT
NORTHERN CONTINENTAL, INC.
OME-2148

AMENDMENT NO. 1

It is agreed this 14th day of September, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Continental, Inc., hereinafter referred to as the "Operator," that Contract No. 2148 (OME-6236), dated May 17, 1962, is amended, effective May 17, 1962, as follows:

1. In Exhibit A:

(a) Under Description of the Work, the specification "D-8 Caterpillar bulldozer" in the last sentence of the first paragraph is revised to read "D-6 Caterpillar bulldozer."

(b) Under Estimated Cost of Project, Fixed Unit Costs, the first specification is deleted and replaced as follows:

80 hours bulldozing access road and portal site, @ $12.50/hr.	$1,000.00

and the figures $76,300.00 and $38,150.00 for the Total Estimated Cost of Project and Government Participation @ 50% are replaced by the figures $76,100.00 and $38,050.00, respectively.

(c) In Article I.(b) of the contract the figures $76,300.00 and $38,150.00 are replaced by the figures $76,100.00 and $38,050.00, respectively.

2. The first paragraph of Article 14, of the Contract, is deleted and the following is substituted in lieu thereof as subparagraph "(A)" and the second paragraph of said Article 14 referring to subparagraph (i) of Article 6 is designated subparagraph "(B)":

"(A). Nondiscrimination. The provisions governing performance of work under Government contracts, as set out in Section 301 of the Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract.

RECEIVED
SEP 24 1962
U. S. G. S.
SPOKANE, WASH.

Fee Phillaney 9-18-62

App'd. Sol. Off.
Murphy
Michael
Talbot

"In compliance with the Rules and Regulations (41 CFR, Section 60-1.3(a)) issued under Executive Order 10925 of March 6, 1961, the Operator is hereby bound and agrees to include in each subcontract which it shall make with a subcontractor or supplier paragraphs (1) through (7) of Section 301 of said Executive Order, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity.

"The Operator shall require each of its subcontractors (first tier) to include in every subcontract with each of its subcontractors (second tier) the following clause: The (here identify the second-tier subcontractor by name) shall incorporate by reference in each subcontract or purchase order with a subcontractor or supplier paragraphs (1) through (6) of Section 301 of Executive Order 10925 of March 6, 1961, unless exempted pursuant to the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity."

This amendment reduces the cost of bulldozer work, the estimated total cost of the project, and the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Director, Office of Minerals Exploration

NORTHERN CONTINENTAL, INC.

By C. V. Reynolds

Title General Supt.

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048

MME Form 7
(10-58)

OFFICIAL FILE CO

Date	Surname	C
8/3	Murphy	

August 3, 1962

Memorandum to the File

From: F. M. Murphy, Mining Engineer
Division of Minerals

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

JUSTIFICATION FOR AMENDMENT NO. 1

In a memorandum, dated July 25, 1962, Region I advised that the Operator could not hire a D-8 bulldozer as specified in the contract. However, he did obtain a D-6 dozer that has performed satisfactorily.

This proposed amendment allows the Operator to use the D-6 dozer at a reduced unit cost per hour of work.

F M Murphy

436

O P T I O N

THIS AGREEMENT, Made and entered into this 26th day of NOVEMBER, 1969, by and between:

LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, a Montana Corporation, having an office at 612 West Main, Lewistown, Montana,

HEREINAFTER CALLED SELLER,

and

NISEKA MINING LTD., a Company duly incorporated under the Laws of the Province of British Columbia, and having an office at 6642 Adera Street, in the City of Vancouver, in the Province of British Columbia, Dominion of Canada,

HEREINAFTER CALLED BUYER,

WITNESSETH:

WHEREAS, Seller owns and holds certain Patented and Unpatented Mining and Mill Site Claims in Phillips County, Montana, to-wit:

NAME	SURVEY NO.
PATENTED CLAIMS	
AUGUST GROUP MINING CLAIMS	
ELLA C. AND LIEBERT FRACTION LODES	8927
AUGUST AND LITTLE BEN LODES	8878
NINA LODE	9355
CUMBERLAND, BLUE BIRD, KING, GRANGER & BIG BLOW OUT LODES	8999
QUEEN ROSE, KING PETER, EDMONTON AND SUSIE LODES	9357
NIGHT SHADE LODE	10041
MORNING GLORY NO. 2 QUARTZ LODE	9356
NIGHTINGALE NO. 2 LODE	10081
GOLD BUG GROUP	
MARY LODE	3841
ANN LODE	3842
GOLD BUG LODE	3886
GOLD BUG LODE	3887
AUGUST NO. THREE MILL SITE	9087
AUGUST NUMBER ONE MILL SITE	9085
AUGUST NUMBER TWO MILL SITE	9086
SUNNY SIDE LODE	10044
TREASURER LODE	10045

Received 6/10/70
see note 6/8/70 from Cecil Hinkle

UNPATENTED CLAIMS	RECORDED at BOOK	PAGE
CUBA	1	340
BOLERO	1	375
GEM	1	445
MC HUBER	1	430
MC TAVISH	1	375
MARGIE	1	282

SUBJECT to visible easements and easements of record;

Said AUGUST NUMBER ONE MILL SITE and AUGUST NUMBER TWO MILL SITE are also SUBJECT to surface rights and surface ownership of record in other parties;

Said MARY LODE, ANN LODE, GOLD BOY LODE and GOLD BUG LODE, as well as the BOLERO and MC TAVISH Unpatented Claims are SUBJECT to a lien until MAY 17, 1972, in favor of the United States of America;

and

WHEREAS, The Seller is duly authorized to sell said claims and all minerals therein, and the Buyer wishes to acquire an option to purchase same which will permit it, its nominee or nominees, or its assigns to examine, test and survey the possibilities of said mineral claims, and

WHEREAS, The Seller has warranted to the Buyer that it has the full right, title and interest in and to the said Patented Claims, except as hereinbefore stated, and the right to deal with and alienate the same, free and clear of adverse claim or encumbrance,

NOW, THEREFORE, In consideration of the promises, and the payment by Buyer of the sum of $25,000.00 to Seller, upon the execution by Buyer of this Agreement, Seller hereby gives to Buyer the option to purchase said claims, together with all personal property and all appurtenances and hereditaments now situated thereon or appertaining thereto, save and except that certain steel office building now located by the portal of the mine now located on said mineral claims, for the sum of $400,000.00 upon the following terms and conditions, to-wit:

1. This option will expire July 26, 1970, unless exercised prior thereto or unless Buyer pays Seller an additional $25,000.00 on or before July 26, 1970, which will extend this option until January 26, 1971.

2. That the consideration paid for this option and for such extension shall be applied on said purchase price, if Buyer exercises this option.

3. That this option must be exercised prior to its expiration, in the following manner:

   (a) By written Notice to Seller, which Notice shall be deemed given three days after depositing same in the Canadian Mails, certified or registered mail, postage prepaid, addressed to Seller at 412 W. Main, Lewistown, Montana, 59457, and

   (b) By depositing the balance due on said purchase price in Escrow at NORTHWESTERN BANK OF LEWISTOWN, Lewistown, Montana, to be by it disbursed as hereinafter set forth.

4. That upon exercise of this option, Seller will convey said claims to Buyer, as follows:

   By Quit Claim Deed on all the Unpatented Claims and on AUGUST NUMBER ONE MILL SITE and AUGUST NUMBER TWO MILL SITE;

   By Warranty Deed on all the other Patented Claims, except that MARY LODE, ANN LODE, GOLD BOY LODE and GOLD BUG LODE would be conveyed subject to the lien of the United States of America;

   Seller will furnish to Buyer Abstracts of Title on the claims to be conveyed by Warranty Deed, continued to whatever date is necessary to show good and marketable title thereto to be vested in Seller, subject to visible easements and easements of record and to said lien of the United States of America through the Office of Minerals Exploration of the Department of the Interior. Seller may furnish Title Insurance in lieu of Abstract on all or any part of said claims to be conveyed by Warranty Deed.

   That said Deeds and an executed copy of this Option shall be deposited in Escrow at said NORTHWESTERN BANK.

5. Upon exercise of this Option, Buyer shall have 45 days after receipt of the continued Abstracts within which to have the same examined and obtain an Attorney's opinion thereon. Within said 45 days, Buyer shall furnish Seller and said Escrow Bank with a copy of such Title Opinion, or, if no such opinion is provided within said time, said Escrow Bank is authorized to disburse to Seller said purchase price balance. If such title opinion reveals defects rendering said title unmarketable, Seller shall promptly proceed at its expense to remedy such defects. Seller shall have no responsibility for any defect which is not specified in such written opinion as rendering said title unmarketable. If Seller shall not have caused such title defects to be cured within six months from the date of receipt of such title opinion, then Buyer may either:

(a) Rescind this agreement and obtain return from the Escrow Bank of the balance of said purchase price, or

(b) Take such action as may be necessary to clear said defects and obtain reimbursement for the cost thereof, including reasonable Attorney's fees, from the funds held by said Escrow Bank, and the balance thereof shall then be delivered to Seller by said bank.

After said title defects are cured, said Abstracts will be again continued, at Seller's expense, to include the curative instruments and Buyer shall have 20 days, after receipt of such continued Abstracts, for supplemental examination and opinion. Upon receipt by said Escrow Bank of said supplemental opinion passing said title, or upon expiration of said 20 day period without any such opinion, said bank shall disburse said purchase price balance to Seller and deliver said Deeds to Buyer.

A Commitment to Insure from a Title Insurance Company, delivered to said Escrow Bank, will take the place of an Abstract and Attorney's opinion on any of said claims included in said Commitment.

6. Buyer shall be entitled to enter upon said claims and possess the same upon execution of this Option and conduct such examinations and investigations, including such geological, geochemical or geophysical surveying, drilling, trenching, sampling or assaying as it shall deem necessary or convenient to determine whether such claims can be operated and mined economically, and may remove therefrom any ore deemed by it to be necessary for assaying and testing purposes. In this connection, Buyer shall also have the use of so much of the surface, improvements, water rights, easements, appurtenances and hereditaments and personal property as are necessary or convenient or as may be within the power of Seller to authorize.

Until said Option is exercised, Buyer will not mine any ore from said claims for commercial purposes or for any purposes other than those set forth above, nor will it sell, remove or stockpile any such ore.

In any event on any minerals or metals produced on or before May 17, 1972, from said MARY LODE, ANN LODE, GOLD BOX LODE, GOLD BUG LODE, BOLERO or MC TAVISH Claims, Buyer will pay to the United States of America, in accordance with its said lien, a royalty of 5% of the gross proceeds therefrom or of any thereof unsold, and shall furnish said United States with copies of settlement sheets and otherwise comply with the terms of said lien.

7. Seller will pay all taxes and assessments levied against said claims for 1969 and prior years, and Buyer will pay the same for 1970 and for all years thereafter if this Option is exercised. All such taxes and assessments will be paid before the same become delinquent.

8. The annual assessment work on said Unpatented Claims for the year ending September 1, 1969, has been performed and Affidavits establishing same have been filed. The Buyer will perform such work by July 1st of each year during the term of this Option and will file Affidavits thereof.

9. All taxes imposed upon Buyer based upon its activities on any part of the claims shall be promptly paid by Buyer.

10. Buyer will carry comprehensive liability and property damage insurance, upon which Seller shall be named as an additional insured to adequately protect Seller from any and all claims arising during the term of this Option. Buyer shall hold Seller harmless from any and all such claims, from all expense in defending against the same, and from any and all liens for labor, services, materials and supplies furnished to Buyer.

11. Buyer shall conduct the herein authorized operations on said claims in a good and workmanlike and minerlike manner and, upon reasonable request, will make available to Seller for examination or copying all maps, reports and other data resulting from its examination and investigation of said claims, including all surveys, drill logs and geological reports, as well as all records and books of account relevant to any question that might arise under this agreement.

12. Buyer may, at its expense, apply for Patents for said Unpatented Claims, or any thereof, and obtain said Patents in Seller's name before the exercise of this Option and in its own name after such exercise. Seller will cooperate in such application and efforts by Buyer.

13. Upon reasonable request, Seller will deliver to Buyer all reports, maps and information it has regarding the minerals under or upon said claims or as may be convenient for Buyer's use hereunder.

14. Seller will pay all charges made by said bank in connection with the Escrow mentioned herein.

15. Buyer may cut and use such timber from any of the Patented Claims as may be necessary for the herein authorized operations, but no timber shall be cut or sold for commercial purposes.

16. Time is of the essence of this Option and it shall automatically terminate, without notice, if Buyer fails to pay the consideration to extend this Option as stated in Paragraph 1 hereof or fails to exercise this Option as herein provided, or fails to comply with any of its other obligations hereunder.

Buyer may also abandon this Option and terminate the same by written notice to Seller, given in accordance with Paragraph 3 (a) hereof.

Upon such termination, however caused, Seller shall retain all payments theretofore received, Buyer will vacate said claims and deliver possession thereof and of said personal property to Seller, in as good condition as now exists, reasonable wear and tear and damage by the elements excepted, and said Escrow Bank shall return to Seller all documents held by it.

Upon such termination, however caused, Buyer shall have 90 days thereafter within which to remove any machinery, equipment or other personal property owned by it and which it brought upon said claims. Any thereof which is still on any of said claims after the expiration of said 90 day period shall become the property of Seller.

17. Upon exercise of this Option, Seller shall execute and deliver to Buyer any other documents necessary to complete the sale and purchase herein set forth.

18. This constitutes the entire agreement and supersedes all prior agreements. Anything not expressed herein shall have no effect for any purpose and no one has authority to make any promise, warranty or representation not expressed herein.

19. During the term of this Option, Seller and its officers or duly authorized representatives shall have the right to come upon said claims at all reasonable times for the purpose of inspecting said claims and other property and Buyer's activities hereunder.

20. The terms and provisions hereof shall extend to and be binding upon the parties, their successors, and assigns.

IN WITNESS WHEREOF, The parties have executed this agreement, the day and year first above written.

LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY

By _____
PRESIDENT

ATTEST:

_____
SECRETARY

S E L L E R

NISEKA MINING LTD.

By _____
PRESIDENT

ATTEST:

_____
SECRETARY

B U Y E R

RECEIVED

MAY 28 1962

U S G S
SPOKANE, WASH.

MME Form 51
Feb. 1959

RECEIVED

MAY 31 1962

O.M.E.

MAY 21 1962

U S G S
SPOKANE, WASH.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME 6236	Gold-Silver	14-23-090- 2148	Phillips	Montana

It is agreed MAY 17 1962 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Northern Continental, Inc., a Montana corporation.

4534 West North Av. Chicago, Illinois 60639

whose mailing address is P. O. Box 1550, Grand Junction, Colorado, hereinafter called the "~~Operator," as follows:~~

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 1, 1962 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 76,300.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 38,150.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14

~~ARTICLE~~ 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

The provisions governing performance of work under Government contracts, as set out in Section 301 of Executive Order 10925, dated March 6, 1961 (a copy of which is attached hereto as Exhibit B and by reference hereby incorporated and made a part of this contract), shall be applicable to this contract, and shall be included in all contracts executed by the Operator for the performance of work contemplated by this contract, and for that purpose the term "contract" shall be deemed to refer to this instrument and to contracts awarded by the Operator and the term "contractor" shall be deemed to refer to the Operator and to contractors awarded contracts by the Operator.

A new subparagraph (i) is added to Article 6 of this contract to read as follows:

"(i) Special Agreement Concerning Royalty. Notwithstanding the certification provisions of this Article 6, and with no further action required on the part of the Government, the Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, or its successor, shall pay to the Government a royalty on production, regardless of where it is produced, which is transported through any workings or any portion of any workings to the cost of which the Government has contributed, for the period described in Article 6(b)(2) above, and pursuant to the terms of Article 6(c) et seq. However, in no event shall more than one royalty be due or paid under this contract on the same production."

Executed in quintuplicate the day and year first above written.

NORTHERN CONTINENTAL, INC.
(Operator)

By Peter A. Bauer
Peter A. Bauer
Title Vice-President

THE UNITED STATES OF AMERICA

By George Turnicka
Director, Office of Minerals Exploration

Solle 5/14/62
Brown
App'd. Sol. Off.
Murphy
Guarnaccia
Fabbert
Selfridge
Johnson

I, Max H. Braun, certify that I am
(Name)
the _____ secretary of the
corporation named as Operator herein; that Peter A. Bauer,
(Name)
who signed this contract on behalf of the Operator, was then
Vice-President of said corporation, that
(Title)
said contract was duly signed for and in behalf of said corporation
by authority of its governing body, and is within the scope of its
corporate powers.

Max H. Braun
[CORPORATE SEAL]

EXPLORATION CONTRACT
NORTHERN CONTINENTAL, INC.
OME-6236

ANNEX I

The land referred to in Article 2 of the contract consists of four (4) patented and two (2) unpatented lode mining claims, including all rights pertaining thereto, in secs. 15 and 22, T. 25 N., R. 24 E., Montana Principal Meridian, Phillips County, Montana. Patent and recording data of the claims are as follows:

Patented Claims

Name	Survey No.	Patent No.
Gold Boy	3806	22176
Gold Bug	3807	22177
Mary	3841	22311
Ann	3842	22311

Unpatented Claims

	Recorded at Malta, Phillips County, Montana	
Name	Book	Page
Bolero	1	375
McTavish	1	376

The claims are shown in green on Plate 1 entitled, "Claim Map, Northern Continental, Little Rockies Area . . .", attached hereto and made part hereof.

The Operator has rights of possession of the claims under the terms of a Mining Lease, dated July 10, 1961, granted by Little Rockies Mining and Development Company, as amended by an Amendment to Mining Lease, dated August 1, 1961. The following former owners have royalty

rights on production from the above-listed claims: Marion S. Heller, Juanita Heller, Cecil Flinders, Margaret Flinders, Frank B. Bryant, Della Bryant, Edward F. Wieglenda, and Vesta Wieglenda.

A Lien or Subordination Agreement dated March 5, 1962, executed by Little Rockies Mining and Development Company and the individual royalty owners listed above is attached hereto and made part hereof.

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090 –	2148
Contract Date	MAY 17 1962

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Phillips, State of Montana,

described as follows: 2/

Unpatented Claims	Recorded at Malta Phillips County, Montana Book	Page	Patented Claims	Patent No.
			Gold Boy	22176
Bolero	1	375	Gold Bug	22177
McDavish	1	376	Mary	22311
			Ann	22311

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Northern Continental, Inc., a Montana corporation 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

NONE

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

Exh. 2c(1)

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions NONE (State "None" or "See Annex No._____".)

Dated this 5th day of March, 1962.

Marion S. Heller (Seal)	LEWISTOWN, Mont		(Street)
Marion S. Heller			(City &
Juanita Heller (Seal)	"	"	(State)
Juanita Heller			
Cecil Flinders (Seal)	"	"	(Street)
Cecil Flinders			(City &
Margaret Flinders (Seal)	"	"	(State)
Margaret Flinders			
Frank B. Bryant (Seal)	"	"	(Street)
Frank B. Bryant			(City &
Della Bryant (Seal)	"	"	(State)
Della Bryant			
Edward F. Wieglenda (Seal)	TOWNSEND	"	(Street)
Edward F. Wieglenda			(City &
Vesta Wieglenda (Seal)	TOWNSEND,	"	(State)
Vesta Wieglenda			
			(Street)
			(City &
(Seal)			(State)
LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY			(Street)
By: Cecil Flinders (Seal)			(City &
Cecil Flinders, President			(State)

I, Darrell Abbott (Name), certify that I am the Secretary (Title—Secretary, etc.) of the corporation named herein; that Cecil Flinders (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

(SEAL)

Darrell Abbott (Corporate Seal)
Darrell Abbott,
Secretary

INT.-DUP. SEC., WASH., D.C.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

EXPLORATION CONTRACT
NORTHERN CONTINENTAL, INC.
OME-6236

EXHIBIT A

The purpose of this project is to explore by drifting, raising, and long-hole drilling for gold-silver-bearing ore bodies along the strike of the Gold Bug vein system, which occurs in a shattered zone within Tertiary syenite porphyry.

General Provisions

All significantly mineralized areas traversed in the drift or raises shall be sampled by cutting channels normal to the vein at intervals of not more than 10 feet. The cuttings from long-hole drill holes shall be recovered and if they show significant mineralization shall be sampled. Each such sample shall represent not more than a 5-foot length of the hole.

Each sample shall be split as necessary and then assayed for gold and silver. The Operator shall store one split in a suitable container properly identified as to the location where the sample was obtained. The stored samples shall be made available for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates for all samples shall be submitted with the Operator's monthly reports, which shall also include a map or sketch showing the work completed during the reporting period. The map or sketch should show the general geological formations and structures traversed by the drift, raises, and long holes and the locations and assay values of the samples.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

The work shall consist of constructing an access road approximately 1800 feet in length from the main road to the portal site of the Gold Bug drift and excavating the portal. The bulldozer used in constructing the road and portal site shall not be smaller than a D-8 Caterpillar bulldozer or equivalent unit of any other make.

From the portal site on the Gold Bug vein system, at an elevation of approximately 4570 feet, a drift shall be driven 1500 feet in a northeasterly direction along the vein. The drift shall be not less than 6' x 8' in cross section in the clear of timber and shall be timbered as necessary, using standard drift sets of not less than 8" x 8" timber, or equivalent round timber. Mine rails shall not be less than 30 pound size, air lines 3-inch diameter, and water lines 1-inch diameter. The drift shall be ventilated, using not less than 12-inch diameter vent pipe.

In the drift, at a point about 500 feet in from the portal, 3 long holes shall be drilled into each wall of the drift. One hole shall be about 5 degrees up from horizontal and the others at 30 and 45 degrees. At intervals of 200 feet, as the drift is advanced, the same procedure for drilling additional long holes shall be followed. It is estimated that the long holes will average about 100 feet in length and be about 1-7/8" in completed diameter. They are designed to explore the upper and side extensions of the vein system. Two 100-foot raises shall be driven from the drift at points agreed upon by the Operator and the Government. The raise shall have two timbered compartments each approximately 4' x 5' in the clear of timber.

The Government will contribute to no more than 80 hours of bulldozer work on the access road and portal site, 1500 feet of drifting, 1000 feet of drift timbering, 200 feet of raising, 3600 feet of long-hole drilling, and the assaying of 1400 samples for gold and silver.

The approximate location and extent of the access road, drifts, raises, and long holes are shown in red on the attached Plate 1 and Plate 2. Plate 2 is a longitudinal projection in the plane of the Gold Bug vein and shows prior work and the proposed exploration work.

Estimated Cost of Project

Fixed Unit Costs

80 hours bulldozing access road and portal site, @ $15.00/hr.	$1,200.00	
1500 feet drifting, @ $36.00/ft.	$54,000.00	
1000 feet of drift timbering, @ $7.50/ft.	7,500.00	
200 feet raising, @ $36.00/ft.	7,200.00	
3600 feet long-hole drilling, @ $1.00/ft.	3,600.00	
1400 samples assayed for gold and silver, @ $2.00/sample	2,800.00	
Total Estimated Cost of Project		~~$76,300.00~~ 76,100
Government Participation @ 50%		$38,150.00

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however,* that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided,* that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

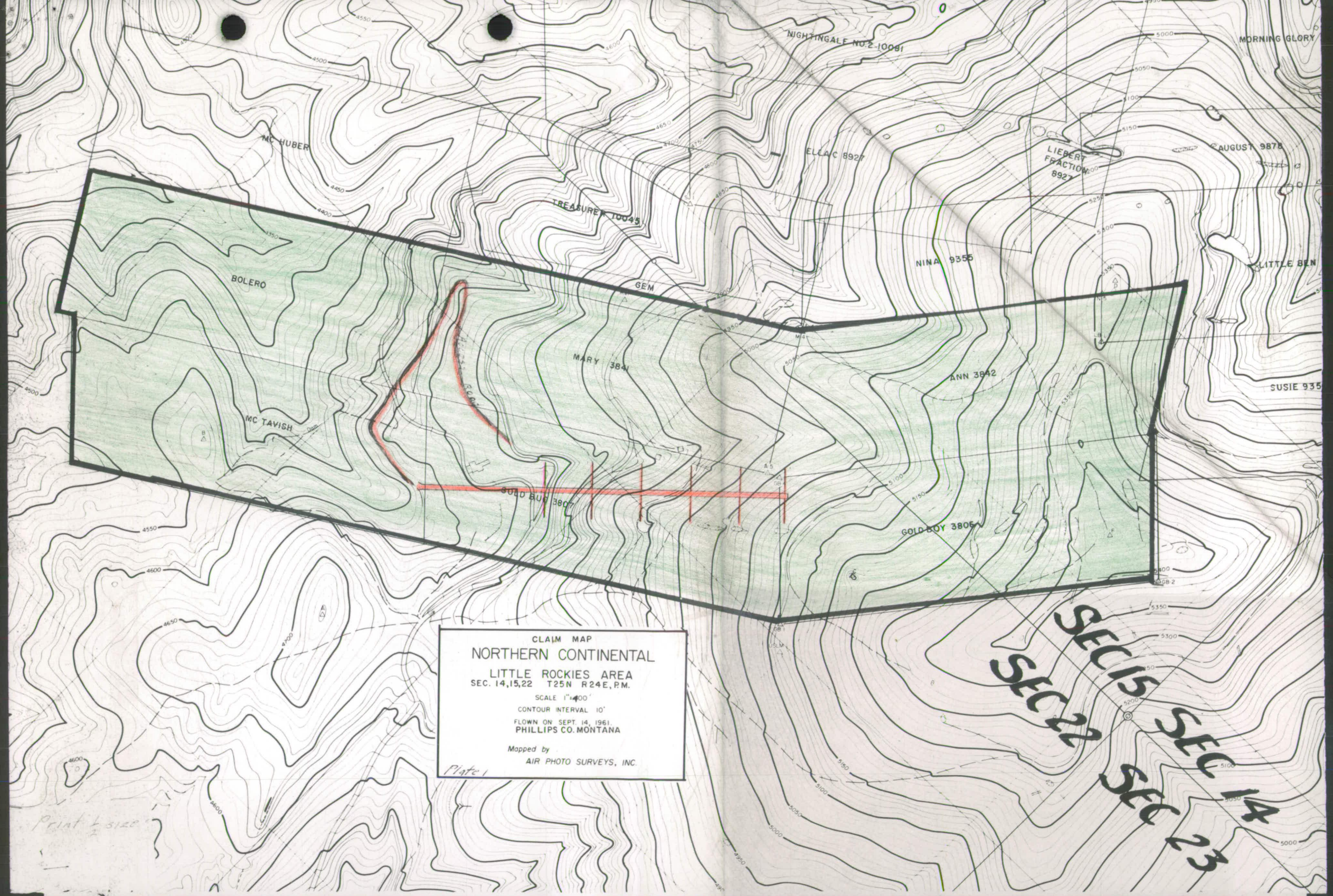
SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

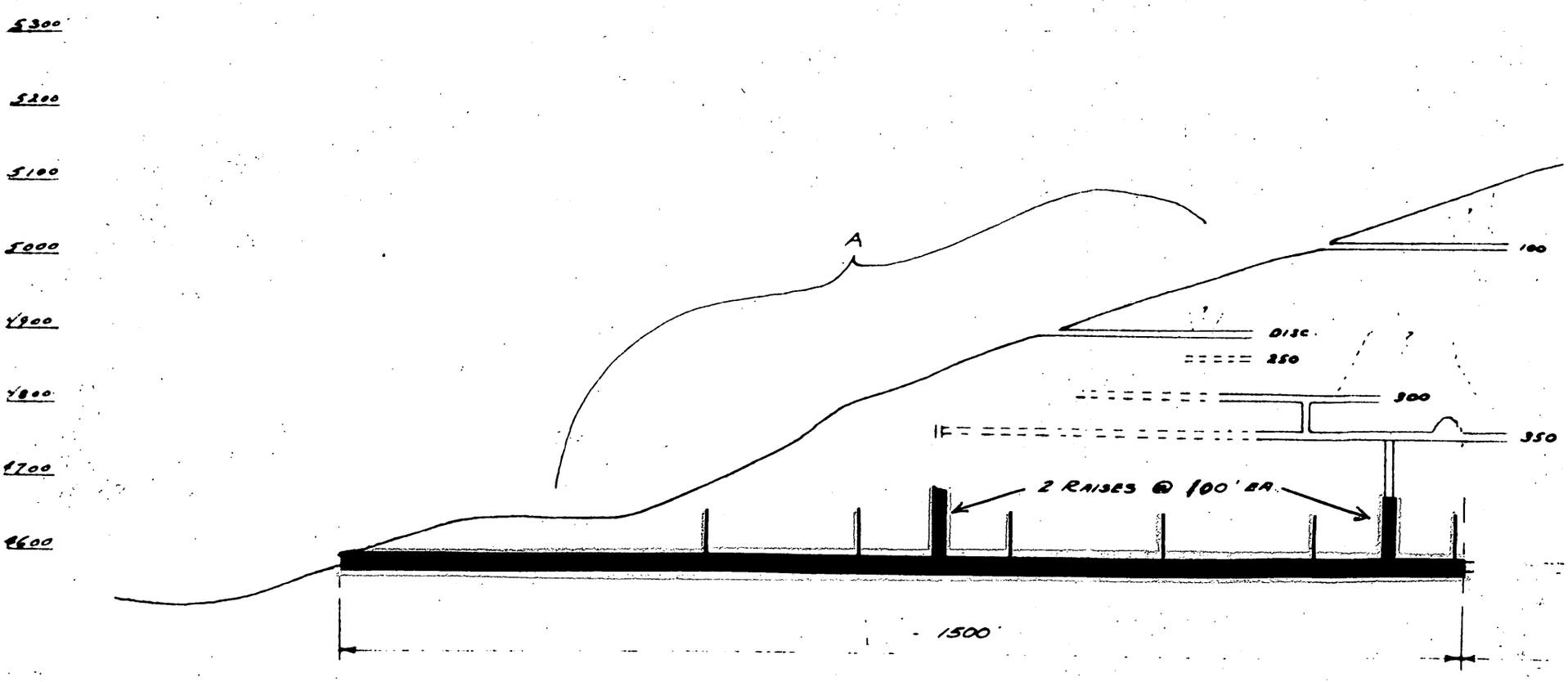
THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048


CLAIM MAP
NORTHERN CONTINENTAL
LITTLE ROCKIES AREA
SEC. 14,15,22 T25N R24E, P.M.
SCALE 1"=400'
CONTOUR INTERVAL 10'
FLOWN ON SEPT. 14, 1961.
PHILLIPS CO. MONTANA
Mapped by
AIR PHOTO SURVEYS, INC.
Plate 1
NIGHTINGALE NO.2 10081
MORNING GLORY
MC HUBER
ELLAC 8927
LIEBERT FRACTION 8927
AUGUST 9878
TREASURER 10045
NINA 9355
LITTLE BEN
BOLERO
GEM
MARY 3841
ANN 3842
SUSIE 935
MC TAVISH
GOLD BOY 3807
GOLD BOY 3806
SEC 15
SEC 14
SEC 22
SEC 23
Print ½ size

BY CHR. JGR DATE [redacted]/62 SUBJECT LONGITUDINAL [redacted] PROJECTION SHEET NO.
CHKD. BY DATE IN PLANE OF GOLD BUG VEIN JOB NO.
Scale: 1 in = 200 ft SHOWING PROPOSED EXPLORATION

A = ANOMALOUS AREAS OVER GOLD BUG ZONE FROM GEO-CHEMICAL (AS) SURVEY.
SEE EXHIBIT 3a(1) FOR COMPLETE ANOMALIES



NOTE: SEE EXHIBIT

Plate-2

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO 39, ILLINOIS

May 1, 1962

Mr. W. R. Griswold, Chief
Division of Minerals
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Philips County, Montana

Dear Mr. Griswold:

On April 24, 1962 you wrote to our subsidiary, Northern Continental, Inc., asking them to submit a statement from this corporation advising that it would not finance the entire cost of the proposed exploration program on the subject project. At the request of Northern Continental, Inc. we are writing you this letter.

Continental Materials Corporation is unable to provide funds for more than one-half of the cost of the subject exploration project. Our financial resources are such that we can provide for one-half of this cost by furnishing funds to Northern Continental, Inc. and we are prepared to do so.

We have made inquiries of our two principal sources of outside financing in an attempt to secure the remainder of these funds, and we have been refused. Copies of these letters have been furnished to you.

Very truly yours,

CONTINENTAL MATERIALS CORPORATION

By Sidney M. Gunther
Sidney M. Gunther

r

WALTER E. HELLER & COMPANY
CHICAGO NEW YORK ATLANTA
105 WEST ADAMS STREET · CHICAGO 90 · FINANCIAL 6-2300

ROBERT H. GREENBERG
VICE PRESIDENT

April 27, 1962

Mr. Peter A. Bauer
Northern Continental, Inc.
4534 West North Avenue
Chicago 39, Illinois

Dear Mr. Bauer:

In answer to yo[illegible] delivered to me, I regret [illegible] basis for a change in th[illegible] February 27th. to Com[illegible] Corporation.

We st[illegible] ness is [illegible] of a secured lo[illegible], the co[illegible] is inadequate to secure the loan and the purpose of the loan, while probably [illegible] appears to us to [illegible] loan purposes.

Yours very tru[illegible],

WALTER E. HELLER & COMPANY

Robert H. Greenberg

Robert H. Greenberg
Vice President and
General Counsel

[illegible]:lel

[illegible] be picked up by Messenger

NORTHERN CONTINENTAL, INC.
4534 West North Avenue
Chicago 39, Illinois

April 27, 1962

Mr. Robert H. Greenberg
Walter E. Heller & Company
105 West Adams Street
Chicago 90, Illinois

Dear Mr. Greenberg:

On February 23, 1962 Continental Materials Corporation, of which this company is a wholly-owned subsidiary, wrote you inquiring about a loan. In connection with an application to the U. S. Department of the Interior it is necessary that we repeat the inquiry directly and receive an answer from you addressed to us.

Based upon work done by the mining staff of our parent company we believe that the gold-silver property in northeast Montana in which we are interested has a sufficient likelihood of success to justify an exploration program which will total approximately $200,000. We would like to borrow half of this or about $100,000 from Walter E. Heller & Company.

We will furnish your company complete details concerning the property and a program we propose. However, we would like a preliminary indication from you as to whether your company is willing to undertake such financing and if so on what terms.

Sincerely,

NORTHERN CONTINENTAL, INC.

By Peter A. Bauer
Peter A. Bauer

d

HARRIS *Trust and Savings* BANK
ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

111 WEST MONROE STREET TELEPHONE: 461-2121 Area Code 312

CHICAGO 90 · ILLINOIS

April 27, 1962

Mr. Peter Bauer
Northern Continental, Inc.
4534 West North Avenue
Chicago 39, Illinois

Dear Peter:

For antecedent details would you please refer to your letter to me of April 27, 1962, concerning a proposal made by the Company that this bank advance $100,000 to finance an exploration program contemplated in respect of gold-silver property located in northeast Montana. As you know, we have previously been informed as to certain details of the proposed venture.

We are unable to see how we could participate in financing the Company for such a purpose at this time. No definite repayment program could be set up inasmuch as there is no basis for predicting cash throw off and there is no alternative way which we can see as being available to repay the loan in the event that the exploration activities and things related thereto are unsuccessful.

With the foregoing in mind we are, therefore, unable to give the requested assistance to you, to our regret, at this time.

Best regards.

Very truly yours,

Gregg A. Hunter

Gregg A. Hunter
Vice President

MC

NORTHERN CONTINENTAL, INC.
4534 West North Avenue
Chicago 39, Illinois

April 27, 1962

Mr. Gregg A. Hunter
Harris Trust and Savings Bank
115 West Monroe Street
Chicago 3, Illinois

Dear Gregg:

On February 23, 1962 Continental Materials Corporation, of which this company is a wholly-owned subsidiary, wrote you inquiring about a loan. In connection with an application to the U. S. Department of the Interior it is necessary that we repeat the inquiry directly and receive an answer from you addressed to us.

Based upon work done by the mining staff of our parent company we believe that the gold-silver property in northeast Montana in which we are interested has a sufficient likelihood of success to justify an exploration program which will total approximately $200,000. We would like to borrow half of this or about $100,000 from Harris Trust and Savings Bank.

We will furnish your bank complete details concerning the property and a program we propose. However, we would like a preliminary indication from you as to whether your bank is willing to undertake such financing and if so on what terms.

Sincerely,

NORTHERN CONTINENTAL, INC.

By Peter Bauer
Peter A. Bauer

d

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
April 13, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 16 1962

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Transmittal of application for OME assistance
Northern Continental, Inc.
Box 1550
Grand Junction, Colorado

Enclosed is an application for OME aid to explore for gold-silver ore on four patented and two unpatented claims in Phillips County, Montana.

The application is well prepared and documented, and it is doubtful that much, if any, worthwhile additional information will be gained by an on-site examination. U. S. Bureau of Mines records indicate that since 1900 total production from the area has been 495,356 tons of ore having an average grade of about 0.23 ounce gold and 1.84 ounces silver per ton and worth $4,848,721, or $9.79 per ton. Settlement sheets accompanying the application indicate that 359.62 tons shipped from the 350 level of the Gold Bug mine between May, 1955, and September, 1958, had a total value of $29,790.11 in gold and silver, or $82.88 per ton.

The applicant proposes to explore the downward and lateral continuation of the structure mined above the 350 level by a 3-stage program of drifting, long hole drilling, and raising. Stage I, involving 1,800 feet of access road, 1,500 feet of drifting, 400 feet of raising, 3,600 feet of long hole drilling, and 1,480 assays, is estimated to cost $109,700; Stage II, dependent upon Stage I and involving 1,000 feet of drifting, 3,000 feet of drilling, and 1,000 assays, is estimated to cost $53,362; and Stage III, involving 400 feet of raising and 160 assays, is estimated to cost $30,102. The total estimated cost of the proposed program is $193,244, of which the Government's share would be $96,622.

raise only cut 80

The applicant's estimated cost of $1,240 for 1,800 feet of road, or $0.688, say $0.69, per foot is reasonable, as are his costs for supplies and the value of equipment which he will provide. However, there is some adjustment due in his cost for personal services under Exhibit 7b.

I would think that a geologist-supervisor at $700 per month should be able to do the necessary surveying in addition to his supervision duties and that under his direction a helper at $18.00 per day could do the sampling and assist with the surveying. I do not believe a general supervisor one week per month is necessary to conduct the proposed program. Elimination of this item would also preclude the need of travel and subsistence allowance of supervisory personnel.

If the property were closer to Butte, good miners and a mechanic should be obtainable for about $2.50 per hour. Perhaps it would be difficult to get good men at this price for this property, but I think $3.00 per hour is too high. I suggest $2.65 to $2.70 would be ample. A topman at $2.25 per hour, or $18.00 per day, is reasonable.

Assaying for gold and silver at $2.00 for either or both metals is quoted by Goodall Bros. in Helena; elsewhere the quotation is $2.00 for either and $2.50 for both.

Mobilization of equipment and supplies at $3,000, especially if some of the equipment is to be brought in from Grand Junction, is probably fair, as is $1.00/ft. of advance for maintenance and repair of equipment.

The gold and silver values are spotty, and therefore at least two raises, one in each stage, would probably be prudent--two in each stage might in this case be desirable, but it also might approach blocking out of ore.

It is recommended that the two stages of drifting and long hole drilling be approved as proposed and that one raise be included in each stage. It is also recommended that the proposed access road be approved.

The costs as proposed, except for the changes mentioned, are recommended.

D. R. MacLaren

D. R. MacLaren

Enclosure

INDEX AND ORGANIZATION

Carded MCS 4/10/62

	Page
Letter of Transmittal	-
OME Form 40	-
Introduction	1
1. Financial Eligibility	2
2. Applicant's Rights in Lands	3
3. Physical Description of Property	6
4. Accessibility of Property	15
5. Exploration Work	16
6. Experience of Applicant and Associates	20
7. Estimate of Costs	21

EXHIBITS

NO.	DESCRIPTION
1a(1)	Evidence of Financial Eligibility
2a(1)	Amendment to Mining Lease and Mining Lease
2a(2)	Agreement (Royalty)
2b(1)	Claim Map
2b(2)	Description of Applicant's Lands
2c(1)	Lien and Subordination Agreement (MME Form 52)
3a(1)	General Map for Application - 200 scale
3a(2)	Geologic Map of Little Rockies, Knechtel, 1=48,000
3c(1)	Smelter Shipment Summary
3c(2)	Settlement Sheets
3c(3)	Production of August Mine
3d(1)	Composite Level Map, Gold Bug Mine, 50 scale
3d(2)	Longitudinal Projection, Gold Bug Vein, 200 scale
3d(3)	Sketch of Gold Bug Vein System & Proposed Exploration, 50 scale
3d(4)	Sample Map, Gold Bug Mine, 350 Level, 50 scale
3d(5)	Sample Map, Gold Bug Mine, 350 Level, 20 scale
3d(6)	Sample Map, Gold Bug Mine, 300 Level, 50 scale
3d(7)	Sample Map, Gold Bug Mine, 250 Level, 50 scale
3d(8)	Sample Map, Gold Bug Mine, Discovery Level, 50 scale
3d(9)	Sample Map, Gold Bug Mine, 100 Level, 50 scale
3d(10)	Summary, Assay & Sample Data, Gold Bug Mine
3d(11)	Assay Certificates
3e(1)	Geologic Map, Gold Bug Mine, 350 Level, 50 scale
3e(2)	Geologic Map, Gold Bug Mine, 300 Level, 50 scale
3e(3)	Geologic Map, Gold Bug Mine, Discovery Level, 50 scale
3e(4)	Geologic Sketch, Mill Cut, 50 scale
3e(4a)	Sketch, Mill Cut (Preliminary), 50 scale
3e(5)	Geologic Sketch Upper Breccia Cut, 50 scale
5a,5b	See Exhibits 3a(1), 3d(2), 3d(3)
6	Experience
6(1)	Experience Record of Applicant
6(2)	Experience Record of Consultants
7	Summary of Cost Distribution
7b	Personal Services
7c	Operating Materials and Supplies
7d	Operating Equipment
7e,f,g	Initial Rehabilitation and Repairs, Miscellaneous

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

PHONE: CHAPEL 3-2100

CONTINENTAL MATERIALS CORPORATION

MINING FIELD OFFICE: 820 SOUTH NINTH STREET, P. O. BOX 1550, GRAND JUNCTION, COLORADO

April 3, 1962

Mr. D. R. MacLaren
Field Officer
Office of Minerals Exploration, Region II
Department of the Interior
South 157 Howard Street
Spokane, Washington

Dear Sir:

We are submitting, under cover with this letter, an Application with required information for O.M.E. financial assistance in the exploration for gold and silver ores in Phillips County, Montana.

Northern Continental, Inc. will appreciate your early consideration of this Application.

Respectfully,

C. H. Reynolds

C. H. Reynolds
General Superintendent
Continental Materials Corp.

CHR/ds

RECEIVED
APR 5 1962

MME Form 40
Dec. 1958

RECEIVED
APR 5 1962

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

APR 16 1962

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.)*

Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6236

DATE RECEIVED 4/16/62

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED Montana

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Willard Gidwitz	4534 West North Avenue Chicago 39, Illinois	President
Peter A. Bauer	4534 West North Avenue Chicago 39, Illinois	Vice-President
Max H. Braun	4534 West North Avenue Chicago 39, Illinois	Secretary & Treasurer
Gerald Friedman	4534 West North Avenue Chicago 39, Illinois	Asst. Secretary & Asst. Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold and Silver

ESTIMATED COST OF PROJECT
$ 193,244.00

PROPERTY NAME
4 Patented and 2 Unpatented claims described in 2(b)

LOCATION
COUNTY Phillips
STATE Montana

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 ~~four~~ 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.*

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.

March 5, 1962
DATED

Peter A. Bauer
BY *(Signature)*

Peter A. Bauer, Vice 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 openings *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).]

INT.-DUP. SEC., WASH., D.C. 50399

Introduction

This application is made by Northern Continental, Inc., a Montana corporation, the applicant, to explore for gold and silver on lands in the northeast part of Montana. These lands include two former producing mines, the Gold Bug and the August-Little Ben, and consists of both patented and unpatented claims held under long term lease. The work will be performed by the mining staff of the applicant's parent company, Continental Materials Corporation. Because of the past history of this property and the results of our preliminary work, set forth in this application, we believe the project outlined for the discovery of additional mineral reserves is of the type contemplated by the Minerals Exploration Program.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

1. Financial Eligibility

(a) The applicant applied to Harris Trust and Savings Bank of Chicago, (its regular depository and the depository of its parent corporation) for a loan of $96,622.00, the amount requested by this application. Such application was denied. The applicant also applied to Walter Heller & Company, of Chicago, a commercial financing institution, for such a loan, and this application also was denied. Both lenders considered a loan of the type requested as inappropriate for them to undertake. Copies of correspondence are included as Exhibit 1a(1).

(b) The sole stockholder of applicant is:

Continental Materials Corporation
4534 West North Avenue
Chicago 39, Illinois

No other person or corporation has any interest in applicant.

(c) Applicant's share of the cost of the exploration work will be furnished from its general funds, obtained from its parent corporation.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

2. Applicant's Rights in Land

(a) The applicant has a 10-year lease (with option to renew), in the subject premises. This leasehold interest arises under Mining Lease dated July 10, 1961 between Little Rockies Mining and Development Company and Northern Continental, Inc., as amended by Amendment to Mining Lease, dated August 1, 1961. Copies (completely conformed) of these agreements are included as Exhibit 2a(1). Such agreements state the name and address of the owner in paragraph 12 (page 6).

Former owners have agreed that royalties due them may be paid out of royalties otherwise payable to the present owner, Little Rockies. See copy (fully conformed) of Agreement dated September 5, 1961 among Marion Heller, et al, attached as Exhibit 2a(2).

(b) The land upon which the applicant wishes to explore and which should be subject to Government royalty and liens comprises the following claims in Sections 15 and 22, T. 25 N., R. 24 E. in Phillips County, Montana; map is shown as Exhibit 2b(1):

Patented Claims

Name	Survey No.	Patent No.
Gold Boy	3806	22176
Gold Bug	3807	22177
Mary	3841	22311
Ann	3842	22311

Unpatented Claims

Name	Recorded at Malta, Phillips County, Montana Book	Page
Bolero	1	375
McTavish	1	376

A metes and bounds description of the foregoing claims is included as Exhibit 2b(2).

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Land adjacent to the foregoing and which the applicant controls, but which should NOT be subject to Government royalty or liens includes the following claims in Sections 10, 14, 15 and 22, T. 25 N., R. 24 E. in Phillips County, Montana:

Patented Claims

Name	Survey No.
August Group Mining Claims	
Ella C. and Liebert Fraction Lodes	8927
August and Little Ben Lodes	8878
Nina Lode	9355
Cumberland, Blue Bird, King, Granger & Big Blow Out Lodes	8999
Queen Rose, King Peter, Edmonton & Susie Lodes	9357
Night Shade Lode	10041
Morning Glory No. 2 Quartz Lode	9356
Nightingale No. 2 Lode	10081
Gold Bug Group	
Sunny Jim Lode	10044
Treasurer Lode	10045

Unpatented Claims	Recorded at Book	Page
Cuba		
Gem	1	445
McHuber	1	430
Margie	1	282

Land not immediately adjacent to the above claims and which the applicant controls, but which should NOT be subject to Government royalty or liens includes the following millsites in Sections 22 and 27, T. 25 N., R.24 E., P.M. in the community of Landusky.

Patented Millsites

Name	Survey No.
August Number One Millsite	9085
August Number Two Millsite	9086
August Number Three Millsite	9087

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

(c) The interest in the land and mineral rights not owned by the applicant is the subject of the Lien and Subordination Agreement (MME Form 52) among Little Rockies Mining and Development Company, Marion Heller, et al, included as Exhibit 2c(1).

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

3. Physical Description:

Introductory Statement

Examination of surface and underground physical characteristics in the Gold Bug zone indicate that the host rocks are closely fractured and ore minerals are distributed erratically in breccia and branching vein systems. Surface diamond drilling would not adequately sample such an area. For the same reason it is felt that the zone could not be satisfactorily explored by a winze at acceptable costs. Therefore, it is believed that exploration can best be undertaken by drifting on the Gold Bug zone and by percussion drilling from underground drill stations from a low level adit.

(a) Description of Land Exploration

The land included in this application consists of about 80 acres comprising 4 patented claims and about 40 acres in 2 unpatented claims bordering the patented claims.

2 parallel mineralized zones about 1500 feet apart, upon which various amounts of exploration activity have been conducted, exist in this area. Zone 1 includes the area of the Gold Bug mine, covered by this project, and Zone 2 covers the area of the August and Little Ben mines (see Exhibit 3a(1).

Exploration and mining upon Zone 1 have been conducted intermittently since 1893. Underground operations ceased in 1958. In 1960 and 1961 Northern Continental mapped the geology of the surface and accessible underground workings, sampled those workings, performed a surface geochemical survey, and did 80 hours of bulldozer

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

trenching. The old workings have been centered in an area about 1000 feet long and 400 feet wide. They expose a system of mineralized structures at various levels which have been mined and explored in a random manner by drifting and stoping from 6 adits, 2 of which are caved at the portal and are not accessible. The location of these workings have been established on the base map from compass surveys and the few available maps of the old workings. The estimated total is 3200 linear feet of drifting and crosscutting, and 280 feet of vertical raise and winze, as tabulated below:

See Exhibits 3a(1), 3d(2), 3d(3).

Adit	Portal Elevation	Drift & X-cut	Raise & Winze	Stoping
100 level	5030	250 ft. est.	100 ft. to surf.	Unknown
Discovery level (Portal caved)	4900	250 ft.	Unknown	Unknown
250 level	4880	50 ft.	None	2,000 cu.ft.
300 level	4820	1200 ft. (partially caved)	60 ft.to 250 level 50 ft.to 350 level -20 ft. in sill	35,000 cu.ft.
350 level	4770	1260 ft.	50 ft. to 300 level	7,000 cu.ft.
400 level (Portal caved)	4725	160 ft.	None	None

The maximum strike length followed along a mineralized structure has been about 500 feet (on the 350 level). Most of the raises and winzes were apparently driven for access and ventilation as they do not follow the dip of the structures.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

There are numerous shallow pits and trenches upon the surface which are obscured by erosion and from which little information is available.

In 1961 Northern Continental dug or reopened several bulldozer trenches along the strike of the Gold Bug system, primarily to check geologic projection of the vein system. This was done in conjunction with a geochemical survey, which seems to delineate trends of mineralization.

The only existing production facilities are at the 350 level. These consist of mine track and a mine car loader. Considerable rehabilitation and repair of mine dump and openings are required to proceed with further exploration. A mill building and a shed exist, but are not in useable condition.

Zone 2 - the August and Little Ben area has not been operated since 1942 and at present none of the workings are accessible. Our knowledge of this area is restricted largely to hearsay reports and old mine maps. The vein system has been explored for a strike length of about 3000 feet and between an elevation of 4620 to the outcrop at 5200 feet. No exploration is proposed at this time due to lack of knowledge of possible targets.

No production facilities remain.

(b) Interest:

Northern Continental had no interest or participation in the operations described above, other than the evaluation work mentioned.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

(c) Production:

There is no current production from this property. Some production records available to us of the Gold Bug Mine are the settlement sheets from the 350 level dated from May 1955 to September 1958, see Exhibits 3c(1) & (2) supplied.

Total production from the area as reported to the U. S. Bureau of Mines since 1900 has been 495,365 tons yielding 116,998 ounces of gold and 912,841 ounces of silver, see Exhibit 3c(3) supplied. This data has been compiled from the Permanent Individual Mine Record kept by the Albany, Oregon office of the U.S. Bureau of Mines.

Gold and silver are the only metals of economic significance recovered from the ores, although very minor amounts of copper, lead and zinc are reported.

(d) Ore Reserves:

The only known ore reserves on the property are those projected from the 350 level of the Gold Bug Mine. They are estimated to be 10,000 tons containing an average of 0.36 ounces of gold and 14.3 ounces of silver per ton, over an average width of 8 feet. This tonnage can be classified as Indicated Ore. With respect to our present knowledge and information, we have not inferred ore beyond the projections derived from Exhibits 3d (inclusive).

This reserve was estimated from chip samples taken across mineralized structures. Values were weighted to determine the resultant grade.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exhibit 3d(inclusive) includes sample maps, assay certificates, summary of assays and typical sections through the mineralized zone.

(e) Geologic Features:

The general geology of the Little Rocky mountains was obtained from the sources listed below, although very little detail appears about the Gold Bug area.

1. Knechtel, Maxwell M., Stratigraphy of the Little Rocky Mountains and Encircling Foothills, Montana, U.S. Geol. Sur. Bull. 1072-N, 1959.

2. Emmons, W. H., Gold Deposits of the Little Rocky Mountains, Montana, U.S. Geol. Sur. Bull. 340, 1908.

3. Brockunier, S. R., Geology of the Little Rocky Mountains, Montana, Thesis for Ph. D, Yale University, 1936.

These authors describe the Little Rockies as being laccolithic with a core of Tertiary syenite porphyry, roughly 6 miles in diameter, which intrudes through a series of metamorphic and sedimentary rocks ranging from Precambrian to Quaternary in age. See Exhibit 3a(2), Geologic Map of Little Rocky Mountains, Knechtel, Brockunier and Hobbs.

The Gold Bug area is principally underlain by syenite porphyry and related dikes, although there are zenoliths or pendants of Precambrian and sedimentary rocks in the porphyry. Knechtel describes the general character of the porphyry as follows:

"In the Little Rocky Mountains large bodies of syenite porphyry of early Tertiary origin have been mapped in contact

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

with the Warm Creek shale and most of the formations older than the Warm Creek. These bodies of igneous rock represent alkalic magmas that invaded the Precambrian rocks - and possibly also the Cambrian rocks of some localities - but are believed to have solidified in part before coming into contact with post-Cambrian units. Most, if not all, of the contacts between the porphyry and the post-Cambrian rocks are accordingly believed to be fault surfaces.

The large bodies of syenite porphyry are cut in some places by dikes of syenite porphyry, monzonite porphyry. and trachyte porphyry; some of the trachyte porphyry has a high aegerine content. These dikes appear to have undergone little, if any, alteration.

Much of the older porphyry of the larger bodies, however, is greatly shattered, and much of it is impregnated with silica that was evidently introduced - at the same time of shattering, or not long afterward - by circulating aqueous solutions, which are believed also to have deposited the gold-silver ores of various mines and prospects in and around the Little Rocky Mountains (Emmons, 1908; Dyson, 1939). The sedimentary rocks are also silicified at some places along and near their contacts with the porphyry. For example, conspicuous chimney rocks in the SE$\frac{1}{4}$ sec. T. 25 N., R. 24 E. (loc. K, pl. 52), on the east side of the Landusky-Hays road about half a mile north of the

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Little Ben mine, are composed almost entirely of fossiliferous jasperoid, representing silicification of beds of Lodgepole limestone probably by aqueous solutions that ascended along nearby faults during the early Tertiary igneous activity. The bulk of the Cambrian and younger rocks exposed in the Little Rocky Mountains and the foothills are nevertheless essentially unaltered, and their porosity and permeability do not appear to have been impaired appreciably by any effects of the igneous activity."

Emmons (op. cit.) considered the most important ore deposits in the Little Rockies to be found in zones of fractured porphyry replaced and cemented by quartz and pyrite. Knechtel mapped a series of faults bearing across the property at about N 70° E and Brockunier mentions a major shear zone extending across this area toward McPherson Mountain. The general trend of workings in the August-Little Ben and Gold Bug mines seems to intersect this structure at an acute angle. This may indicate a tensional relationship with those vein systems.

The Gold Bug vein system, which has been examined in some detail underground by the applicant, occurs in a shatter zone within the syenite porphyry. Mineralization occurs in (various types of) fractures and zones ranging from a few inches to several feet in width. The principal zone appears to be continuous for several hundred feet in dip and strike, but the minor components of structure within the zone are quite variable in attitude.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Emmons (op. cit.) states: "There is no evidence that the movements which resulted in the formation of openings that permitted the solutions to enter the porphyry and deposit their burden produced spaces of any considerable size. The movements resulted rather in shearing and in brecciation along fissured zones, with a large number of small openings rather than a single large open space." Emmons indicates that he saw no reason for any dimunition as long as the vein remained in the porphyry. Thickness of the porphyry is unknown. Hangingwalls and footwalls are not well defined, and mineralized fractures may branch into either wall for several feet. The only visible differentiation between vein material and country rock is the degree of shattering and the amount of contained iron oxides. The depth of oxidation has not been determined.

Mineralization in the vein material occurs in seams of iron oxide, and breccia cemented with iron oxides and quartz. Some pyrite and arsenopyrite occur in minor amounts in the Gold Bug veins. Fluorite noted by other investigators in the area does not seem to be abundant.

Ore minerals are present as free gold in intimate association with hessite (Ag_2Te), according to petrographic-minerographic determinations by the University of California (submitted by Wisser & Cox, consulting geologists). Iron oxides obscure these minerals, except in very high grade specimens, and assaying is necessary to determine whether they are present.

The presence of several trachyte phonolite porphyry dikes has been reported to bear a relationship to mineralization (Brockunier, and letter by W. C. Ackerman, Montana Bureau of Mines, 1959). Such a dike occurs in the west end of the 350 level of the Gold Bug mine, but its influence upon ore deposits are not understood at this time. Communications with local miners indicate that the old workings contained favorable mineralization adjacent to, or near, these dikes.

(f) Reasons for Expecting to Find Ore:

The reasons for expecting to find ore are these:

1. Sampling of underground workings indicates that ore exists at the lowest explored level of the Gold Bug structure.
2. Geologic evidence and past exploration work indicate that the Gold Bug mineralized structure should extend down dip and laterally.
3. Past development and production at the August-Little Ben mines show that near surface mineral occurrences persist to considerable depth.

The area we propose to explore has not been sampled except as shown on Exhibit 3a(1) and 3d(Incl.), included in (d) above. This sampling consists mostly of chip samples, taken as individual cuts, across exposures to differentiate between physical features of the vein material.

(g) Reports, Maps, Etc.:

Refer to Index for list of copies of material included in application. Return of these copies is not required.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

4. Accessibility of Property:

(a) OME representative will be met and directed to the property by C. H. Reynolds or J. G. Roscoe, of Box 1550, Grand Junction, Colorado, Phone Chapel 3-2100.

The property and workings are located $1\frac{1}{2}$ miles north of Landusky, Montana along a well-maintained forest service road. Landusky is reached by State Highway 19 from Lewistown (96 miles) or Malta (65 miles).

(b) Shipping and supply points are Lewistown and Malta. Truck delivery service is available from these towns to a terminal 5 miles south of Landusky.

Adequate labor is not available locally; experienced miners will be recruited from distant localities. R.E.A. single phase power is available at Landusky. Water sufficient for mining purposes is present on the property.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

5. Exploration Work:

See Exhibits 3a(1), 3d(1),(2),(3) for plans, maps and sketches.

(a) Exploration of the Gold Bug zone is planned in three stages as follows:

STAGE 1 - Underground exploration to determine the down dip continuity, tenor and extent of known mineralized zones.

STAGE 2 - Underground exploration to determine the strike extent of the Gold Bug mineralized zone northeasterly of the present outcrop.

STAGE 3 - Underground exploration to determine vertical continuity of mineralized zones disclosed by Stage 2.

STAGE 1 - It is proposed to physically explore and sample the Gold Bug gold and silver bearing zone beneath the present exposures by means of underground openings. This can be accomplished at an elevation of approximately 4570 feet, or about 200 feet below the present lowest exposure. As shown on Exhibit 3a(1), this will require approximately 1500 feet of drifting. Concurrent with the drift work, it is proposed to further define and sample the indicated mineralized zone by means of drill holes from the drift as shown on Exhibit 3a(1). It is contemplated that two 200 foot raises will be required in this stage to establish vertical continuity of mineralization disclosed.

The mineralization existing on this property will require very thorough and extensive sampling, and assaying will be necessary. It is proposed that large bulk samples be taken from each drift and raise round to be crushed and split for assay. There is a crusher now located on the property which can be rehabilitated for

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

this purpose. It is also proposed to channel sample all drifts and raises at approximately five foot intervals. Maximum individual sample intervals from drill hole sampling will be five feet. Vacuum-dust collecting dry drills are available for this purpose.

Summary of Stage 1 work:

1. Mobilization
2. Access road construction and portal preparation
3. 1500 feet 8' x 8' drift
4. 3600 feet drilling
5. 400 feet raising
6. Assaying of 1480 samples

STAGE 2 - If the Stage 1 work establishes the existence of gold and silver mineralization of commercial tenor, it is proposed to further explore the zone to the northeast at the same horizon for approximately 1000 feet. This would be accomplished in the same manner as Stage 1.

Summary of Stage 2 work:

1. 1000 feet 8' x 8' drift
2. 3000 feet drilling
3. Assaying of 1000 samples

STAGE 3 - If Stage 2 discloses the existence of gold and silver mineralization of commercial tenor, it is proposed to test the vertical continuity of it by raising. This would be accomplished as proposed in Stage 1 by two 200 foot raises.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Summary of Stage 3 work:

1. 400 feet 5' x 10' raises

2. Assaying of 160 samples

Summary of total work - mobilization and portal preparation plus the following unit work:

	Road Construction	Drifting	Raising	Drilling	Assays
STAGE 1	1800'	1500'	400'	3600'	1480
STAGE 2		1000'		3000'	1000
STAGE 3			400'		160
	1800'	2500'	800'	6600'	2640

Size of Openings:

Drifts - minimum section 8' x 8' rock, 6' x 7' timbered

Raises - minimum section 5' x 10' rock, 2 compartment 4' x 5' timbered

The applicant proposes the use of percussion drill equipment equipped with vacuum sampling accessories. This technique would be used for all proposed drill holes within the depth range of the equipment and would result in a drill hole size of 1 7/8" diameter. 25,000 feet of such drilling has proved its applicability at a uranium property operated by the applicant.

(b) To reach the proposed adit site will require the construction of approximately 1800 feet of access road, as shown on Exhibit 3a(1). It is proposed that this be an unsurfaced roadway, approximately 18 feet wide with an approximate grade of 10%, constructed by simple cut and fill method with a dozer.

(c) The applicant is prepared to begin Stage 1 work immediately upon execution of the contract. It is estimated that Stage 1 work

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

could be completed within 40 weeks, and Stages 2 and 3 would require approximately the same amount of time, or a total of 18 months. Due to short summer season and severe winter climate, the estimated schedule and costs are contingent upon work commencing by May 1, 1962.

It is anticipated that mobilization of equipment and labor would require 2 weeks and road construction and adit and dump preparation approximately 2 weeks. Anticipated average weekly progress for the 8' x 8' drifting, at 2 shifts per day, 6 days per week, is 60 feet.

Drilling progress is estimated at an average rate of 20 feet per drill shift, including move and set up time.

Why so low

Anticipated average rate of progress for raise excavation is 2.5 feet per shift, or 5 feet per day.

NORTHERN CONTINENTAL
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GRAND JUNCTION, COLORADO

6. Experience:

The work will be directed by, and be under the supervision of the staff of the Mining Division of Continental Materials Corporation, the parent company of the Applicant. A brief history of company mining operations and personal experience records of some of the staff supervisory personnel is attached as Exhibit 6(1).

It is anticipated that Mr. Glenn S. Franklin, Mine Engineer, Wyoming operations, will be assigned to the project as Project Engineer.

The firm of Wisser and Cox, consulting geologists, 55 New Montgomery Street, San Francisco, California, is retained by Continental Materials Corporation as consultants. Experience records of the members of this firm are attached as Exhibit 6(2).

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7. Estimate of Costs:

Continental Materials Corporation (parent company of Northern Continental, Inc.) proposes to furnish all necessary equipment, labor and supplies for the proposed work on a cost basis. The estimated cost of the work proposed in 5(a) is summarized by (1) Stages of Work, and (2) Items of Work: (Detailed figures on which these estimates are based are attached as Exhibits 7, 7(b), 7(c), 7(d), 7(e,f & g).)

1 - Cost Summary by Stages of Work:

Stage 1: (Exhibit 7)

Drifting, 1500 ft. @ $ 48.85	$ 73,278
Drilling, 3600 ft. @ 2.58 -?	9,289
Raising, 400 ft. @ 47.33	18,933
Initial Rehabilitation	1,000
Mobilization	3,000
Road Construction	1,240
Assaying	2,960
Total Stage 1	$109,700

Stage 2: (Exhibit 7)

Drifting, 1000 ft. @ $ 46.62	$ 46,616
Drilling, 3000 ft. @ 1.58	4,746
Assaying	2,000
Total Stage 2	$ 53,362

Stage 3: (Exhibit 7)

Raising, 400 ft. @ $ 74.66	$ 29,862
Assaying	320
Total Stage 3	$ 30,182
Grand Total	$193,244

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GRAND JUNCTION, COLORADO

2 - Cost summary by Items of Work:

(a) None

(b) Personal Services: ($108,294)(Exhibit 7(b))

Stage 1:

Drifting, 1500 ft. @ $ 27.07		$ 40,610
Drilling, 3600 ft. @ $ 2.09		7,533
Raising, 400 ft. @ $ 27.24		10,894
		$ 59,037

Stage 2:

Drifting, 1000 ft. @ $ 25.04	$ 25,044
Drilling, 3000 ft. @ $ 1.20	3,588
	$ 28,632

Stage 3:

Raising, 400 ft. @ $ 51.56	$ 20,625
Total Personal Services	$108,294

(c) Operating Materials & Supplies: ($33,900)(Exhibit 7(c))

Stage 1:

Drifting, 1500 ft. @ $ 10.20	$ 15,300
Drilling, 3600 ft. @ $ .242	875
Raising, 400 ft. @ $ 8.50	3,400
	$ 19,575

Stage 2:

Drifting, 1000 ft. @ $ 10.20	$ 10,200
Drilling, 3000 ft. @ $ .242	725
	$ 10,925

Stage 3:

Raising, 400 ft. @ $ 8.50	$ 3,400
Total Operating M & S	$ 33,900

NORTHERN CONTINENTAL
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GRAND JUNCTION, COLORADO

(d) Operating Equipment: ($23,790)(Exhibit 7(d))

Stage 1:

Drifting, 1500 ft. @ $ 7.21	$ 10,815
Raising, 400 ft. @ $ 7.21	2,883
	$ 13,698

Stage 2:

Drifting, 1000 ft. @ $ 7.21	$ 7,210

Stage 3:

Raising, 400 ft. @ $ 7.21	$ 2,882
Total Operating Equipment	$ 23,790

(e) Initial Rehabilitation: ($1,000)(Exhibit 7(e))

Stage 1	$ 1,000

(f) None

(g) Miscellaneous: ($26,460)(Exhibit 7(g))

Stage 1:

Mobilization	$ 3,000
Road Construction	1,240
Assaying	2,960
Repair Parts	1,900
Accounting	925
Workmen's Compensation	2,860
Payroll Taxes: FICA	1,790
Unemployment	1,715
	$ 16,390

Stage 2:

Assaying	$ 2,000
Repair Parts	1,000
Accounting	530
Workmen's Compensation	1,380
Payroll Taxes: FICA	860
Unemployment	825
	$ 6,595

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(g) Miscellaneous: Cont'd.

Stage 3:

Assaying	$ 320
Repair parts	400
Accounting	345
Workmen's Compensation	990
Payroll Taxes: FICA	620
Unemployment	600
	$ 3,275
Total Miscellaneous	$ 26,260
Grand Total	$193,244

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

This application has been prepared by the staff of Continental Materials Corporation, parent company of Northern Continental, Inc.

General administration of all matters pursuant to this program will be under the direction of C. H. Reynolds, General Superintendent and John G. Roscoe, Superintendent of Mines, each of whom is authorized to take all action, on behalf of applicant, necessary or desireable to effectuate this program, including the execution on behalf of applicant of amendments to this application or of other documents.

Respectfully submitted,

NORTHERN CONTINENTAL, INC.

Peter A. Bauer

Peter A. Bauer
Vice President

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 1a(1)

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO 39, ILLINOIS

February 23, 1962

Mr. Robert H. Greenberg
Walter E. Heller & Company
105 West Adams Street
Chicago 90, Illinois

Dear Bob:

Northern Continental, Inc., a subsidiary of Continental Materials Corporation, has a gold-silver property in northeast Montana. This property includes two former producing mines.

Based upon work done by our mining staff we believe that this property has a sufficient likelihood of success to justify an exploration program which will total approximately $200,000. We would like to borrow half of this, or about $100,000, from Walter E. Heller & Company.

I am prepared to furnish your company complete details concerning the property and the program we propose. However, I would like a preliminary indication as to whether your company is willing to undertake such financing and, if so, on what terms.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By _____
Sidney M. Gunther

lw

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

WALTER E. HELLER & COMPANY
CHICAGO NEW YORK ATLANTA
105 WEST ADAMS STREET · CHICAGO 90 · FINANCIAL 6-2300

THOMAS E. NEAL
SENIOR VICE PRESIDENT

February 27, 1962

Mr. Sidney M. Gunther
Continental Materials Corporation
4534 West North Avenue
Chicago 39, Illinois

Dear Mr. Gunther:

In Mr. Greenberg's absence I am taking the liberty of answering your letter to him of February 23, 1962 in which you inquire as to the possibility of Northern Continental, Inc. obtaining a loan from Walter E. Heller & Company, the proceeds of which are to be used in an exploration program of certain mining properties owned by Northern Continental, Inc.

Unfortunately, I must advise you that we would be unable to consider a loan such as you are seeking. The purpose of such a loan is too speculative and there is insufficient collateral or security available to adequately protect us.

I regret to advise you of this decision, but we appreciate your contacting us and if in the future you think we may be able to be of assistance to you, please do not hesitate to contact us again.

Very truly yours,

WALTER E. HELLER & COMPANY

Thomas E. Neal
Senior Vice President

TEN:aj

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO 39, ILLINOIS

February 23, 1962

Mr. Gregg A. Hunter
Harris Trust and Savings Bank
115 West Monroe Street
Chicago, Illinois

Dear Gregg:

Northern Continental, Inc., a subsidiary of Continental Materials Corporation, has a gold-silver property in northeast Montana. This property includes two former producing mines.

Based upon work done by our mining staff we believe that this property has a sufficient likelihood of success to justify an exploration program which will total approximately $200,000. We would like to borrow half of this, or about $100,000, from Harris Trust and Savings Bank.

I am prepared to furnish your bank complete details concerning the property and the program we propose. However, I would like a preliminary indication as to whether your bank is willing to undertake such financing and, if so, on what terms.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By _____
Sidney M. Gunther

lw

HARRIS *Trust and Savings* BANK
ORGANIZED AS N. W. HARRIS & CO. 1882. INCORPORATED 1907

111 WEST MONROE STREET TELEPHONE: 461-2121 Area Code 312

CHICAGO 90 · ILLINOIS

March 2, 1962

Mr. Sidney M. Gunther
Continental Materials Corporation
4534 West North Avenue
Chicago 39, Illinois

Dear Sidney: Northern Continental, Inc.

For antecedent details would you please refer to your letter to me of February 23, 1962, concerning a proposal made by the Company that this bank advance approximately $100,000 to finance in part an exploration program which the Company contemplates undertaking in respect of a gold-silver property located in northeastern Montana. Certain additional details have heretofore been furnished us by you by telephone.

I must advise you with regret that we are unable to participate in financing the Company for such a program. We are unable to see how, at this time, a definitive repayment program could be set up inasmuch as there is no basis that we are able to determine for predicting a cash generating power sufficient in any way to amortize the proposed indebtedness. In addition, there is no available alternative exit in the event that the cash flow needed to amortize the loan does not materialize inasmuch as the asset values of the Company are very small and the purpose of the expenditures proposed do not in any way assure the production of real asset values.

In view of the foregoing circumstances we are, unfortunately, unable to accommodate the Company so far as this request is concerned.

Very truly yours,

Gregg A. Hunter
Vice President

Gregg A. Hunter
MC

Exh. 2a(1), (2)

T I T L E D O C U M E N T S

Mining Lease and Amendment
to Mining Lease,
recorded together.

Agreement (Royalty) recorded.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 2a (1, 2)

AGREEMENT

THIS AGREEMENT dated September 5, 1961 among Marion Heller of Lewistown, Montana and the other persons listed in paragraph B hereof (which persons are hereinafter individually called "ROYALTY OWNER" and together called the "ROYALTY OWNERS"), Little Rockies Mining and Development Company, a Montana corporation, (hereinafter called "LITTLE ROCKIES") and Northern Continental, Inc., a Montana corporation, (hereinafter called "CONTINENTAL"),

WITNESSETH:

A. WHEREAS, by Mining Lease dated July 10, 1961 between LITTLE ROCKIES and CONTINENTAL, amended August 1, 1961 (hereinafter called the "LEASE") LITTLE ROCKIES has leased to CONTINENTAL the following patented and unpatented claims in Phillips County, Montana:

Patented Claims

Name	Survey No.
August Group Mining Claims	
Ella C. and Liebert Fraction Lodes	8927
August and Little Ben Lodes	8878
Nina Lode	9355
Cumberland, Blue Bird, King, Granger & Big Blow Out Lodes	8999
Queen Rose, King Peter, Edmonton and Susie Lodes	9357
Night Shade Lode	10041
Morning Glory No. 2 Quartz Lode	9356
Nightingale No. 2 Lode	10081
Gold Bug Group	
Mary Lode	3841 ✓
Ann Lode	3842 ✓
Gold Boy Lode	3806 ✓
Gold Bug Lode	3807 ✓
August No. Three Mill Site	9087
August Number One Mill Site	9085
August Number Two Mill Site	9086
Sunny Jim Lode	10044
Treasurer Lode	10045

Unpatented Claims

	Recorded at Book	Page
Cuba		
Bolero ✓	1	375 ✓
Gem	1	445
McHuber	1	430
McTavish ✓	1	376 ✓
Margie	1	282

All the foregoing claims are hereinafter called the "PREMISES".

B. WHEREAS, the ROYALTY OWNERS hold mineral royalties in the PREMISES as follows:

ROYALTY OWNERS	Royalty Interest
Marion Heller and Juanita Heller	1.00
Cecil Flinders and Margaret Flinders	.50
Frank B. Bryant and Della Bryant	.50
Edward F. Wieglenda and Vesta Wieglenda	.50
	2.50%

and the parties desire to provide for the payment of royalties directly to the ROYALTY OWNERS:

NOW, THEREFORE, the parties agree as follows:

1. The ROYALTY OWNERS acknowledge that the total royalty from the PREMISES due them is 2½% of the net smelter returns [one-fourth (1/4) of the ten per cent (10%) royalty] set forth in paragraph 4 of the LEASE. Each ROYALTY OWNER will accept that portion of such 2½% as is equal to his interest, as set forth after his name in paragraph B, in full payment of all his interest in the PREMISES.

2. LITTLE ROCKIES hereby authorizes and directs CONTINENTAL to pay, and CONTINENTAL will pay, to each ROYALTY OWNER that portion of such 2½% of net smelter returns as is equal to his interest set forth after his name in paragraph B, in one fourth (1/4) of all amounts otherwise payable to LITTLE ROCKIES as royalties pursuant to paragraph 4 of the LEASE. The preceding sentence shall not affect the remaining three-fourths (3/4) of such royalties.

3. CONTINENTAL may arrange with any mill, smelter or other ore buyer to pay any royalty and to transmit copies of settlement sheets or remittance statements directly to the ROYALTY OWNERS. No change in the provisions of this Agreement relating to the interest in the PREMISES of any ROYALTY OWNER shall be effective unless in writing signed by or on behalf of such ROYALTY OWNER and LITTLE ROCKIES and CONTINENTAL.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

/s/ Marion S. Heller
Marion Heller

/s/ Juanita Heller
Juanita Heller

/s/ Cecil Flinders
Cecil Flinders

/s/ Margaret Flinders
Margaret Flinders

/s/ Frank B. Bryant
Frank B. Bryant

/s/ Della Bryant
Della Bryant

/s/ Edward F. Wieglenda
Edward F. Wieglenda

/s/ Vesta Wieglenda
Vesta Wieglenda

LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY

By /s/ Cecil Flinders
Cecil Flinders, President

(SEAL)

ATTEST:

/s/ Darrell Abbott, Sec. & Treas.
Darrell Abbott, Secretary

NORTHERN CONTINENTAL, INC.

By /s/ Peter A. Bauer
Peter A. Bauer, Vice-President

(SEAL)

ATTEST:

/s/ Max H. Braun
Max H. Braun, Secretary

STATE OF MONTANA)
) ss
COUNTY OF FERGUS)

On this 30th day of September, 1961, before me the undersigned Notary Public, personally appeared, Marion Heller, Juanita Heller, Cecil Flinders, Margaret Flinders, Frank B. Bryant, Della Bryant, Edward F. Wieglenda and Vesta Wieglenda, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

/s/ Patricia A. Crass
Notary Public - Montana

Residing at Lewistown
_____, Montana

(SEAL)

My commission expires Apr. 26, 1964.

STATE OF MONTANA)
) ss
COUNTY OF FERGUS)

On this 30th day of September, in the year 1961, before me the undersigned, Notary Public, personally appeared CECIL FLINDERS known to me to be the president of LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

(SEAL)

/s/ Patricia A. Crass
Notary Public - Montana

Residing at Lewistown, Montana
My commission expires Apr. 26, 1964.

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 8th day of September, in the year 1961, before me Ruth Baron, a Notary Public, personally appeared PETER A. BAUER known to me to be the vice-president of NORTHERN CONTINENTAL, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

/s/ Ruth Baron
Notary Public

(SEAL)

State of Montana,)
County of Phillips) 230029

Filed for Record this 9 day of Nov. A.D. 1961 at 4:35 o'clock P.M., and duly Recorded in book 26 Page 42-45 of M. R. E.
/s/ Joseph Judge, County Recorder
Fee $8.00
Return: Louis LaRoche, Malta, Montana

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

OFFICIAL FILE COPY
O M E
RECEIVED APR 16 1962

229593
State of Montana,) ss
County of Phillips,)
Filed for Record this 30 day of August, A.D. 1961 at 11:00 o'clock and duly Recorded in book 13, Page 169-180 of Leases
/s/ Joseph Judge, County Recorder
Fee $24.00

AMENDMENT TO MINING LEASE

THIS AMENDMENT dated August 1, 1961 between LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, a Montana corporation (hereinafter called "LITTLE ROCKIES") Lessor, and NORTHERN CONTINENTAL, INC., a Montana corporation (hereinafter called "CONTINENTAL") Lessee;

W I T N E S S E T H:

A. WHEREAS, the parties entered into a Mining Lease dated July 10, 1961 (hereinafter called the "LEASE") embracing certain patented and unpatented mining claims therein described (hereinafter called the "PREMISES"); and

B. WHEREAS, the parties desire to amend the LEASE to provide that if by July 31, 1968, CONTINENTAL is not regularly processing ore from the PREMISES in a mill with a capacity of at least 100 tons a day, CONTINENTAL will pay LITTLE ROCKIES Ten Thousand Dollars ($10,000) as an advance royalty; and

C. WHEREAS, the parties desire to amend the LEASE to provide that if by July 9, 1971 production has not been commenced from the PREMISES with a mill operating, LITTLE ROCKIES may terminate the LEASE; and

D. WHEREAS, because of the short remaining 1961 working season, the parties desire to reduce the amount of work to be performed by CONTINENTAL on or before December 31, 1961 as a condition to continuing its LEASE.

NOW THEREFORE, the parties agree as follows:

1. Advance Royalty. The LEASE is hereby amended by adding after subparagraph 4(c) thereof, a new subparagraph 4(d) to read as follows:

"(d) If by July 31, 1968 CONTINENTAL is not regularly processing ore from the PREMISES in a mill with a capacity of at least 100 tons a day, CONTINENTAL will pay LITTLE ROCKIES Ten Thousand Dollars ($10,000) as an advance royalty, to be credited against royalties earned thereafter pursuant to this paragraph 4."

2. Renewal Option. The LEASE is hereby amended by deleting paragraph 14 thereof and substituting a new paragraph 14 to read as follows:

"14. Renewal Option. CONTINENTAL by notice to LITTLE ROCKIES prior to the expiration of any ten (10) year term of lease may renew

this Agreement for an additional ten (10) years on the identical terms and conditions in this Agreement, including this renewal option, provided, at the time of each such notice, LITTLE ROCKIES has not terminated this Agreement pursuant to the provisions of paragraph 13 and the PREMISES are or have been in production with an operating mill."

3. Work Deferral. The LEASE is hereby amended by deleting from subparagraph 5(a) thereof the amounts and dates in the three columns thereof and substituting the following amounts and dates:

(1) Annual Increment	(2) Cumulative	(3) Date
$ 5,000	$ 5,000	December 31, 1961
25,000	30,000	December 31, 1962
30,000	60,000	December 31, 1963
40,000	100,000	December 31, 1964
50,000	150,000	December 31, 1965
60,000	210,000	December 31, 1966
70,000	280,000	December 31, 1967
80,000	360,000	December 31, 1968
90,000	450,000	December 31, 1969
100,000	550,000	December 31, 1970

4. No Other Changes. All other provisions of the LEASE shall remain in full force and effect.

5. Integration. This Amendment constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No covenant or condition not expressed in this Amendment shall affect or be effective to interpret, change, or restrict the expressed provisions of this Amendment. No employee or agent of CONTINENTAL has any authority to make any promise, warranty or representations not expressed in this Amendment. No change or attempted waiver of any of the provisions hereof shall be binding unless in writing signed by the parties.

6. Headings. The paragraph headings contained in this Amendment are for reference purposes only and shall not in any way affect the meaning or interpretation of this Amendment.

7. Counterparts. Separate counterparts of this Amendment may be signed by CONTINENTAL and LITTLE ROCKIES and together will constitute one Amendment.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY

By /s/ Cecil Flinders

Cecil Flinders, President

(SEAL)

ATTEST:

/s/ Darrell Abbott

NORTHERN CONTINENTAL, INC.

By /s/ Peter A. Bauer

Vice-President

(SEAL)

ATTEST:

/s/ Max H. Braun

Max H. Braun, Secretary

STATE OF MONTANA)
) ss
COUNTY OF)

On this 23rd day of August, in the year 1961, before me Patricia A. Grass, Notary Public, personally appeared CECIL FLINDERS known to me to be the president of LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

/s/ Patricia A. Grass

(SEAL)

Notary Public

Residing at Lewistown, Montana
My commission expires April 26, 1964

STATE OF ILLINOIS)
) ss
COUNTY OF C O O K)

On this 11th day of August, in the year 1961, before me Ruth Baron, Notary Public, personally appeared Peter Bauer known to me to be the vice-president of NORTHERN CONTINENTAL, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

/s/ Ruth Baron

(SEAL)

MINING LEASE

THIS AGREEMENT dated July 10, 1961, between LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, a Montana corporation (hereinafter called "LITTLE ROCKIES") Lessor, and NORTHERN CONTINENTAL, INC., a Montana corporation (hereinafter called "CONTINENTAL") Lessee;

W I T N E S S E T H:

WHEREAS, LITTLE ROCKIES holds the following patented and unpatented claims in Phillips County, Montana:

Patented Claims

Name	Survey No.
August Group Mining Claims	
Ella C. and Liebert Fraction Lodes	8927
August and Little Ben Lodes	8878
Nina Lode	9355
Cumberland, Blue Bird, King, Granger & Big Blow Out Lodes	8999
Queen Rose, King Peter, Edmonton and Susie Lodes	9357
Night Shade Lode	10041
Morning Glory No. 2 Quartz Lode	9356
Nightingale No. 2 Lode	10081
Gold Bug Group	
Mary Lode	3841
Ann Lode	3842
Gold Boy Lode	3806
Gold Bug Lode	3807
August No. Three Mill Site	9087
August Number One Mill Site	9085
August Number Two Mill Site	9086
Sunny Jim Lode	10044
Treasurer Lode	10045

Unpatented Claims

	Recorded at Book	Page
Cuba		
Bolero	1	375
Gem	1	445
McHuber	1	430
McTavish	1	376
Margie	1	282

All the foregoing claims are hereinafter called the "PREMISES".

NOW THEREFORE, the parties agree as follows:

1. Consideration. For and in consideration of the sum of One ($1.00) Dollar, the receipt of which is hereby acknowledged by LITTLE ROCKIES, and the royalties to be paid and the covenants and agreements which CONTINENTAL hereby agrees to pay,

keep, and perform, all in the manner hereinafter set forth, LITTLE ROCKIES does hereby lease the PREMISES to CONTINENTAL upon the terms and conditions and for the purposes hereinafter set forth.

2. CONTINENTAL's Undertakings. With respect to all claims:

(a) CONTINENTAL will enter upon the PREMISES and conduct an examination and investigation, including such geological, geochemical or geophysical surveying, drilling, trenching, sampling or assaying as it shall deem necessary or convenient to determine whether the PREMISES can be operated economically.

(b) CONTINENTAL will pay or cause to be paid all property taxes finally assessed against each patented claim embraced by this Agreement on the date such taxes are payable and while this Agreement is in force. LITTLE ROCKIES warrants that all such taxes for the year 1960 totaled not more than $608.90 and have been paid.

(c) CONTINENTAL will perform labor or make improvements of One Hundred Dollars ($100) with respect to each unpatented claim subject to this Agreement on July 1 of each year until a patent has been issued therefor, and will file affidavits stating that such work was performed. LITTLE ROCKIES warrants that One Hundred Dollars ($100) of labor has been performed or improvements made for the year ended September 1, 1960 with respect to each unpatented claim included in the PREMISES.

3. Lease. LITTLE ROCKIES hereby leases the PREMISES to CONTINENTAL for a term of ten (10) years from the date of this Agreement (renewable as hereinafter set forth) or until this Agreement is terminated, together with:

(a) all minerals and mineral rights in the PREMISES; and

(b) the exclusive right and privilege to mine and sell all minerals from the PREMISES and to retain the proceeds of such sales, subject to distribution as set forth in this Agreement; and

(c) all personal property and fixtures now or hereafter attached to or used in conjunction with mining the PREMISES. The parties will promptly take an inventory of such personal property and fixtures, and upon the termination of this Agreement, CONTINENTAL will return to LITTLE ROCKIES all such personal property and fixtures in the same condition as CONTINENTAL receives them, ordinary wear and tear and deterioration excepted.

(d) so much of the use of the surface, surface rights, structures, improvements, water rights, rights-of-way, easements, tenements, hereditaments and appurtenances in, on or in any way now or hereafter appertaining to the PREMISES as may be necessary or convenient to mine the PREMISES.

CONTINENTAL hereby accepts this Lease. Upon termination of this Agreement, the term of this Lease shall end, but CONTINENTAL shall not be relieved of any obligation to pay royalties with respect to ore mined by CONTINENTAL from the PREMISES during the term of this Lease and sold. LITTLE ROCKIES warrants that it has title to the PREMISES and they are not subject to any outstanding interest, encumbrance, prior lease or valid adverse claim.

4. Royalties. On or about the 20th day of each calendar month, CONTINENTAL will pay as royalty to LITTLE ROCKIES an amount equal to ten percent (10%) of net smelter returns received by CONTINENTAL during the preceding calendar month from the sale of all metal, ore, concentrate, or any other mineral matter, mined from the PREMISES, whether such sale be made to any custom mill, smelter, mint, or any other mineral buyer whatsoever, all as set forth below.

(a) The term "net smelter returns" means the sum of:

(i) all receipts by CONTINENTAL from the sale of metal, ore, concentrate, or other mineral matter, after deducting all freight and haulage from the surface ore bin or stockpile to the mill and/or smelter.

(ii) all subsidies and other payments in respect of production received by CONTINENTAL from any government agency.

(b) Each payment of royalty by CONTINENTAL will be accompanied by a copy of each settlement sheet or remittance statement pertaining to the receipts on which such royalty payment is based.

(c) CONTINENTAL may arrange with any mill, smelter or other ore buyer to pay any royalty and to transmit copies of settlement sheets or remittance statements directly to LITTLE ROCKIES.

5. Termination by LITTLE ROCKIES. LITTLE ROCKIES may terminate this Agreement in accordance with the provisions of Paragraph 13 in case of default by CONTINENTAL in failing:

(a) to perform work for the purpose of benefiting the PREMISES (including work of any nature performed at the PREMISES or elsewhere) in an amount equal to the amounts set forth in Column (2) on or before the dates stated in Column (3) below:

(1) Annual Increment	(2) Cumulative	(3) Date
$10,000	$ 10,000	December 31, 1961
20,000	30,000	December 31, 1962
30,000	60,000	December 31, 1963
40,000	100,000	December 31, 1964
50,000	150,000	December 31, 1965
60,000	210,000	December 31, 1966
70,000	280,000	December 31, 1967
80,000	360,000	December 31, 1968
90,000	450,000	December 31, 1969
100,000	550,000	December 31, 1970

(b) to assume full and sole responsiblity for the operation and direction of the work CONTINENTAL shall do under this Agreement, including:

(i) employing or otherwise furnishing workmen upon a wage basis, a profit-sharing basis, or any other basis, as CONTINENTAL may determine;

(ii) recognizing that there shall be no privity of contract between LITTLE ROCKIES and any employee of CONTINENTAL, but that all CONTINENTAL's business shall be transacted by and in the name of CONTINENTAL, and that no miner or laborer employed by CONTINENTAL shall, under any circumstances, be deemed the employee of LITTLE ROCKIES;

(iii) meeting requirements of the Workman's Compensation Act of Montana, and specifically assuming all risk and liability for all accidents or injuries to CONTINENTAL and its employees or others arising out of CONTINENTAL's operation, and being liable directly for all contributions and taxes required to be paid and/or withheld by the employer pursuant to State and Federal laws, and/or State Old Age Benefit and Insurance Laws, and/or the Federal current tax payment, all in respect to CONTINENTAL's employees. and accepting exclusive liability for said contributions and/or tax;

(iv) the timely paying of all labor employed by CONTINENTAL at the PREMISES;

(v) holding LITTLE ROCKIES harmless from all loss, damage and liability from all liens for labor, services, materials or supplies furnished to CONTINENTAL; and

(vi) permitting LITTLE ROCKIES to post and thereafter maintain and keep posted notices of LITTLE ROCKIES' non-responsibility for such liens.

(c) to operate the PREMISES in a workmanlike and minerlike manner;

(d) upon reasonable request to make available to LITTLE ROCKIES for examination or copying:

(i) all maps, reports, and other data resulting from the examination and investigation of the PREMISES, including all surveys, drill logs and geological reports; and

(ii) all records and books of account relevant to any question which may arise under this Agreement;

(e) to perform any covenant or condition of this Agreement to be performed by CONTINENTAL.

6. Patent Proceedings. CONTINENTAL may apply for the issuance of patent upon all or any unpatented claims included in the PREMISES and take all steps necessary or convenient thereto, all in LITTLE ROCKIES' name but at CONTINENTAL's expense. LITTLE ROCKIES will cooperate in such action by CONTINENTAL. Upon issuance of patent, each such patented claim shall remain part of the PREMISES.

7. LITTLE ROCKIES' Undertakings. LITTLE ROCKIES:

(a) will deliver to CONTINENTAL all original location notices, and all maps and other writings under LITTLE ROCKIES' control relating to the location or title of the PREMISES;

(b) grants to CONTINENTAL an easement for ingress and egress, tunnels, telephone and electric lines and pipe lines to the PREMISES over and through all lands and roads now or hereafter owned or possessed by LITTLE ROCKIES;

(c) will do all acts and execute all documents requested by CONTINENTAL as necessary or convenient to effectuate any covenant of LITTLE ROCKIES; and

(d) may at all reasonable times enter in and upon all parts of the PREMISES for the purpose of inspection. All such entries shall be at the sole expense and risk of LITTLE ROCKIES and without interfering with CONTINENTAL's operation.

8. Production Taxes. All taxes imposed upon CONTINENTAL based upon production from any part of the PREMISES subject to this Lease shall be borne by the parties in proportion to their respective interests in the proceeds from such production.

9. Further Assurances. CONTINENTAL may take such action as it deems necessary or convenient to hold and defend its interest in the PREMISES against all persons, and LITTLE ROCKIES will cooperate with CONTINENTAL in such action.

10. Surrender. CONTINENTAL at any time by notice may surrender any one or more claims leased hereunder, and all rights and obligations under this Agreement with respect to such surrendered claims will thereupon terminate, and CONTINENTAL may surrender all of such claims and terminate this Agreement, except that CONTINENTAL may not surrender any unpatented claim during the period from July 1 to September 1 of any year unless prior to the effective date of such notice One Hundred Dollars ($100) of labor has been performed or improvements made with respect to the surrendered unpatented claim during the year ending on September 1 of such year.

11. Removal of Property. During the term of the Lease and for 90 days after termination of this Agreement, CONTINENTAL may remove all fixtures and personal property placed or erected on the PREMISES by CONTINENTAL and may remove all ore mined from the PREMISES during the term of the Lease.

12. Notices. All notices shall be in writing. All notices and payments to LITTLE ROCKIES may be directed to or care of:

Little Rockies Mining and Development Company
412 West Main Street
Lewistown, Montana

All notices to CONTINENTAL shall be directed to:

Northern Continental, Inc.
4401 West North Avenue
Chicago 39, Illinois
Attn: Legal Department

Any party may designate a new address to which payments and notices to said party may be sent by notice to all other parties. Unless otherwise specified

herein, all notices shall be effective when sent by registered or certified mail addressed as stated above.

13. Default. If CONTINENTAL defaults in the performance of any covenant or condition hereof, LITTLE ROCKIES may deliver notice to CONTINENTAL specifying in detail the default and if such default shall not be corrected or remedied within sixty (60) days after receipt by CONTINENTAL of such notice, if it reasonably can be corrected or remedied within such sixty (60) days, and if not within such time as may be reasonably required, LITTLE ROCKIES at its election may:

(a) recover damages for such default in performance of any such covenant;

(b) enjoin the continuance of such default in performance of any such covenant; or

(c) terminate this Agreement by delivery of notice to CONTINENTAL at the end of thirty (30) days after the expiration of the period for appeal after entry of final judgment holding CONTINENTAL in default in performance of any such covenant or condition, if CONTINENTAL has failed to correct or remedy such default within such thirty (30) day period.

CONTINENTAL may remedy any default by paying to LITTLE ROCKIES an amount equal to the damages recoverable by it for the specified default. CONTINENTAL shall be deemed to have corrected or remedied any default when CONTINENTAL shall in good faith commence action to correct or remedy such default if such action shall be prosecuted thereafter with due diligence.

14. Renewal Option. CONTINENTAL by notice to LITTLE ROCKIES prior to the expiration of any ten (10) year term of lease may renew this Agreement for an additional ten (10) years on the identical terms and conditions in this Agreement, including this renewal option, provided, at the time of each such notice, LITTLE ROCKIES has not terminated this Agreement pursuant to the provisions of paragraph 13.

15. Force Majeure. CONTINENTAL shall not be considered in default if CONTINENTAL's failure to perform any covenant or condition of this Agreement is caused by Act of God or by any circumstances not wholly and exclusively within the control of CONTINENTAL. The settlement of a labor dispute shall not be considered to be wholly and exclusively within the control of CONTINENTAL. Financial inability to make any payment shall not be considered beyond the control of CONTINENTAL.

16. Successors. All the terms, covenants and conditions of this Agreement shall survive execution and delivery of any amendments, and shall be binding upon and inure to the benefit of the successors and assigns of the respective parties. The rights of LITTLE ROCKIES hereunder may be assigned in whole or in part. No change or division in ownership of LITTLE ROCKIES' interest or royalty payments, however accomplished, shall operate to create or enlarge any obligation or diminish any right of CONTINENTAL or be binding upon CONTINENTAL for any purpose until receipt by CONTINENTAL of a notice signed by or on behalf of LITTLE ROCKIES and all successors, stating the nature of the change or division and stating the single person and address to which all future notices and payments may be directed by CONTINENTAL.

17. Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No covenant or condition not expressed in this Agreement shall affect or be effective to interpret, change, or restrict the expressed provisions of this Agreement. No employee or agent of CONTINENTAL has any authority to make any promise, warranty or representation not expressed in this Agreement. No change or attempted waiver of any of the provisions hereof shall be binding unless in writing signed by the parties.

18. Headings. The paragraph headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

9. Counterparts. Separate counterparts of this Agreement may be signed by CONTINENTAL and LITTLE ROCKIES and together will constitute one Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY

By /s/ Cecil Flinders
Cecil Flinders, President

(SEAL)

ATTEST:

/s/ Darrell Abbott
Darrell Abbott, Secretary

NORTHERN CONTINENTAL, INC.

By /s/ Peter A. Bauer
Vice-President

(SEAL)

ATTEST:

/s/ Max H. Braun
Max H. Braun, Secretary

STATE OF MONTANA)
) ss
COUNTY OF Fergus)

On this 10th day of July, in the year 1961, before me the undersigned, Notary Public, personally appeared CECIL FLINDERS known to me to be the president of LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

(SEAL)

/s/ Patricia A. Grass
Notary Public - Montana
Residing at Lewistown, Montana
My commission expires Apr. 26, 1964

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 11th day of August, in the year 1961, before me Ruth Baron, a Notary Public, personally appeared Peter A. Bauer known to me to be the vice-president of NORTHERN CONTINENTAL, INC., the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

/s/ Ruth Baron
Notary Public

(SEAL)

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

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O. M. E
RECEIVED APR 10 1962
DATE

Exh. 2b(1)

Exh. 2b(2)

DESCRIPTION OF APPLICANT'S LANDS

Contents 2 Pages

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 26(2)

DESCRIPTION OF APPLICANT'S LANDS

Gold Boy Lode - Min. Sur. No. 3806

A patented lode mining claims situated in Sections 15 and 22, T. 25 N., R. 24 E., P.M., Phillips County, Montana, more particularly described as follows:

Beginning at Cor. No. 1, whence U.S. Location Monument No. 3806 bears S43°47' E 113.0 feet distant, thence N 38°55' E 1500.0 feet to Cor. No. 2, thence N 43°57' W 604.0 feet to Cor. No. 2, then S 38°55' W 1500.0 feet to Cor. No. 4, thence S 43°57' E 604.0 feet to Cor. No. 1, and place of beginning.

Gold Bug Lode - Min. Sur. No. 3807

A patented lode mining claim situated in Section 22, T. 25 N., R. 24 E., P.M., Phillips County, Montana, more particularly described as follows:

Beginning at Cor. No. 1, being identical with Cor. No. 1 Gold Boy Min. Sur. 3806, whence U. S. Location Monument No. 3806 bears S 43°57'E 113.0 distant, thence S 58°10' W 1500.0 feet to Cor. No. 2, then N 43°57'W 604.0 feet to Cor. No. 3, thence N 58°10' E 1500.0 feet to Cor. No. 4, thence S 43°57' E 604.0 feet to Cor. No. 1 and place of beginning.

Mary Lode - Min. Sur. No. 3841

A patented lode mining claim situated in Sections 15 and 22, T. 25 N., R. 24 E., P.M., Phillips County, Montana, more particularly described as follows:

Beginning at Cor. No. 1, whence U. S. Location No. 3806 bears S 48°24'E 731.5 feet distant, thence S 58°10' W 1500.0 to Cor. No. 2, thence N 37°10'W 600.0 feet to Cor. No. 3, thence N 58°10' E 1500.0 feet to Cor. No. 4, thence S 37°10' E 600.0 feet to Cor. No. 1 and place of beginning.

Ann Lode - Min. Sur. No. 3842

A patented mining lode claim situated in Sections 15 and 22, T. 25 N., R. 24 E., P.M., Phillips County, Montana, more particularly described as follows:

Beginning at Cor. No. 1, identical with Cor. No. 4 Gold Boy Lode Min. Sur. No. 3806, whence U. S. Location Monument No. 3806 bears S 43°57'E 717.0 feet distant, thence N 38°55' E 1430.5 feet to Cor. No. 2, thence N 37°10' W 633.4 feet to Cor. No. 3, thence S 38°27' W 1500.0 feet to Cor. No. 4, thence S 37°10' E 600.0 feet to Cor. No. 5, then N 58°10' E 58.0 feet to Cor. No. 1 and place of beginning.

Exh. 2b (2)

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

McTavish Lode, Unpatented

An unpatented lode mining claim situated in Section 22, T. 25 N., R. 24 E., P.M., Phillips County, Montana, more particularly described as follows:

Beginning at Cor. No. 1, identical with Cor. No. 2 Gold Bug Lode Min. Sur. No. 3807, thence S 58°10' W 1500.0 feet to Cor. No. 2, thence N 43°57' W 604.0 feet to Cor. No. 3, thence N 58°10' E 1500.0 feet to Cor. No. 4, thence S 43°57' W 604.0 feet to Cor. No. 1 and place of beginning.

Bolero Lode, Unpatented

An unpatented lode mining claim situated in Section 22, T. 25 N., R. 24 E., P.M., Phillips County, Montana, more particularly described as follows:

Beginning at Cor. No. 1, identical with Cor. No. 2 Mary Lode Min. Sur. No. 3841, thence S 58°10' W 1500.0 feet to Cor. No. 2, thence N 37°10' W 600.0 feet to Cor. No. 3, thence N 58°10' E 1500.0 feet to Cor. No. 4, thence S 37°10' E 600.0 feet to Cor. No. 1 and place of beginning.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

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O. M. E
APR 16 1962

Exh. 3c(2)

S E T T L E M E N T S H E E T S

1955 - 1958

Contents 18 Pages

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DATE

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Note: Correct designation of mine should be Gold Bug, instead of Little Ben

Exh. 3c(2)

NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., June 3, 19 55

Bought of Little Rockies Dev. & Dev. Co. Mine Little Ron Gold Bug Our Lot No. 228

Class Crude Shipping Point Landusky, Montana Mine Lot No. 1

Quotations of Nat. Ave. Silver .9025 Lead 15.0 ~~Wire Bar~~ Cathode Copper 35.575

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	0.700	53.2	0	0.02	35.8	3.7	0.1		0.5	0.15	0.18		0.5
~~Goodalls~~	~~0.72~~	~~53.3~~											
Umpire													
Settlement	0.71	53.25	0	0.02	35.8	3.7	0.1		0.5	0.15	0.18		0.5

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold	91.1371 oz. @ $35-1/4	22.59	Base for 15.00% Value Lead	1.00	
Truck	12040	Silver 95%	@ .9025	15.66	25% over " "	13.31	
		Lead Less 90%	@			17.31	
		Copper, Less	@				
		Total Au. & Ag.		82.25			
						Lorimus	7.00
					Insoluble % @		
					Zinc % @		
					Arsenic % @		
					Antimony % @		
Weight of Lot					Bismuth % @		
Weight of Sacks					Debit		
Wet Weight					Iron Lbs. @		
Less Moisture 6.8%	819	Less Total Deduction		7.00	Total Deductions		
Dry Weight	11221	Pounds	@	62.25	Per Ton		$ 313.64

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @	$	
	Royalty 1/2% Frank F. Bryant Landusky, Montana	$ 1.91	
	" 1/2% Edward F. Wieglenda, Landusky, Montana	1.91	
Date of B/L	" 1/2% Cecil Flinders, Lewistown, Montana	$ 1.91	
Date of Arrival 5-21-55	Advances 1% Marion & Juanita Heller, Landusky, Montana	$ 3.83	
Checked	Umpire ~~Mat~~ Goodalls	$ 9.00	
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice. Freight deductions $73.25 TOTAL $ 18.56 $ 18.56

A minimum charge of $5.00 made on all lots under 10 dry tons. NET PROCEEDS $ 225.02

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

SGM-1-55-11457

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19[illegible]

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver [illegible] Lead [illegible] ~~Wire Bar~~ Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold	@ [illegible]	[illegible]	Base for [illegible] % [illegible] Lead	[illegible]	
[illegible]	[illegible]	Silver 95%	@ [illegible]	[illegible]	[illegible]	[illegible]	
		Lead Less	90% @			[illegible]	
		Copper, Less	@				
		Total Au. & Ag.		[illegible]			
						[illegible]	[illegible]
					Insoluble	% @	
					Zinc	% @	
					Arsenic	% @	
					Antimony	% @	
Weight of Lot					Bismuth	% @	
Weight of	Sacks				Debit		
Wet Weight					Iron	Lbs. @	
Less Moisture [illegible] %	[illegible]	Less Total Deduction		[illegible]	Total Deductions		[illegible]
Dry Weight	[illegible]	Pounds	@	[illegible]	Per Ton		$ [illegible]

	Freight Per Wet Ton @ [illegible]	$ [illegible]
	Hauling Per Wet Ton @ [illegible]	$ [illegible]
	Royalty [illegible]	$ [illegible]
Date of B/L	[illegible]	$ [illegible]
Date of Arrival	Advances [illegible]	$ [illegible]
Checked [illegible]	~~Umpire~~ [illegible]	$ [illegible]
Correct	Sampling When Less Than 10 Tons	$

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

26M-1-53-11457

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19[illegible]

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver [illegible] Lead [illegible] ~~Wire Bar~~ Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold [illegible]	@ [illegible]	[illegible]	Base for [illegible] % Lead [illegible]		
[illegible]	[illegible]	Silver 95%	@ [illegible]	[illegible]			
		Lead Less 90%	@				
		Copper, Less	@				
		Total Au. & Ag.		[illegible]			
							[illegible]
					Insoluble	% @	
					Zinc	% @	
					Arsenic	% @	
					Antimony	% @	
Weight of Lot					Bismuth	% @	
Weight of Sacks	[illegible]				Debit		
Wet Weight	[illegible]				Iron	Lbs. @	
Less Moisture %	[illegible]	Less Total Deduction		[illegible]	Total Deductions		[illegible]
Dry Weight	[illegible]	Pounds	@ [illegible]		Per Ton		$ [illegible]

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @	$	
	Royalty [illegible]	$ [illegible]	
	[illegible]	[illegible]	
Date of B/L	[illegible]	$ [illegible]	
Date of Arrival [illegible]	Advances [illegible]	$ [illegible]	
Checked [illegible]	Umpire [illegible]	$ [illegible]	
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., October 8, 1956, 19

Bought of Little Rockies Maz. & Dev. Co. Mine Little Ben Our Lot No. 1597

Class Conc. Shipping Point Landusky, Montana Mine Lot No. 2

Quotations of Mks. Avg. Silver .9075 Lead 16.0 Wire Bar Cathode Copper 39.655

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	5.97	464.0	0	0.10					0.5				
Shipper	6.09	470.5											
Umpire Nichols	5.975	464.1											
Settlement	5.975	464.1	0	0.10					0.5				

Car Number	Weight
Truck	7420

VALUES PER TON			
Gold	100%	@ 32.67433	195.23
Silver 95%		@ .9075	400.11
Lead Less	90%	@	
Copper, Less		@	
Total Au. & Ag.			595.34
Less Total Deduction			8.75
Pounds		@	586.59

DEDUCTIONS PER TON		
Base for Charge	Lead 8.75	
Insoluble	% @	8.75
Zinc	% @	
Arsenic	% @	
Antimony	% @	
Bismuth	% @	
Debit		
Iron	Lbs. @	
Total Deductions		8.75
Per Ton		$ 1,858.61

Weight of Lot	
Weight of Sacks	
Wet Weight	
Less Moisture 14.6 %	1083
Dry Weight	6337

~~Freight Per Wet Ton @~~	Goodalls	$ 15.00
~~Hauling Per Wet Ton @~~	~~Royalty 1% Marion & Juanita Hellor, Landusky~~	$ 18.86
Royalty	1/2% Frank B. Bryant Landusky, Montana	$ 9.43
"	1/2% Edward F. Wieglenda, Landusky, Montana	9.43
"	1/2 Cecil Flinders, Lardstown, Montana	$ 9.43
Advances	9-19-56	$ 1,300.00
Umpire		$ 8.00
Sampling When Less Than 10 Tons	& over 200	$ 20.00

Date of B/L

Date of Arrival 9-5-56

Checked Mum

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 1,390.15 $ 1,390.15

NET PROCEEDS $ 468.46

36M-1-55-11457

NORTHERN CONTINENTAL

P. O. BOX 1550

GRAND JUNCTION, COLORADO

M NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., November 19, 1956, 19

Bought of Little Rockies Mng. & Developing Co. Mine Little Ben Our Lot No. 1774

Class Concln. Shipping Point Landusky, Montana Mine Lot No. 2

Quotations of Mrs. Avg. Silver .9075 Lead 16.0 Wire Bar Cathode Copper 39.605

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	6.160	405.3	0	0.05									
Shipper	6.295	410.2											
Mot. Co.	-.028	-1.55											
Umpire McNichols	6.34	407.9											
Settlement	6.267	406.35	0	0.05									

Car Number	Weight	VALUES PER TON				DEDUCTIONS PER TON		
		Gold 100%	@	32.67433	204.77	Base for Charge	Lead 8.75	
		Silver 95%	@	.9075	350.32			
Truck	6690	Lead Less 90%	@					
		Copper, Less	@					
		Total Au. & Ag.			555.09			
								8.75
						Insoluble	% @	
						Zinc	% @	
						Arsenic	% @	
						Antimony	% @	
Weight of Lot						Bismuth	% @	
Weight of Sacks						Debit		
Wet Weight						Iron	Lbs. @	
Less Moisture 12.9%	863	Less Total Deduction			8.75	Total Deductions		8.75
Dry Weight	5827	Pounds	@		546.34	Per Ton		$ 1,591.76

	Freight Per Wet Ton @ Goodalls	$ 15.00	
	Hauling Per Wet Ton @	$	
	Royalty 1/2% Frank D. Bryant, Landusky, Mont.	$ 8.09	
	" 1/2% Edward, Kleplenna, Landusky, Montana	8.09	
Date of B/L	" 1/8% Cecil Flinders, Lewistown, Montana	$ 8.09	
Date of Arrival 9-29-56	Advances 1/4 Marion & Juanita Heller, Landusky, Montana	$ 16.17	
Checked	Umpire Advance 10-5-56	$ 800.00	
Correct	Sampling When Less Than 10 Tons	$ 20.00	
		TOTAL $ 875.44	$ 875.44
		NET PROCEEDS $	716.32

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

36M-1-55-11457

NORTHERN CONTINENTAL

P. O. BOX 1550

GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver [illegible] Lead [illegible] Wire Bar Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	[illegible]	[illegible]					0				
[illegible]	[illegible]	[illegible]											
[illegible]	[illegible]	[illegible]											
Umpire [illegible]	[illegible]												
Settlement	[illegible]	[illegible]	0	[illegible]					0				

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold [illegible]	@ [illegible]	[illegible]	Base for [illegible] %	Lead [illegible]	
[illegible]	[illegible]	Silver 95%	@ [illegible]	[illegible]			
		Lead Less 90%	@				
		Copper, Less	@				
		Total Au. & Ag.		[illegible]			
							[illegible]
					Insoluble	% @	
					Zinc	% @	
					Arsenic	% @	
					Antimony	% @	
Weight of Lot					Bismuth	% @	
Weight of Sacks					Debit		
Wet Weight					Iron	Lbs. @	
Less Moisture [illegible] % [illegible]		Less Total Deduction			Total Deductions		

Dry Weight [illegible] Pounds @ [illegible] Per Ton $ [illegible]

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @ [illegible]	$	[illegible]
	Royalty [illegible]	$	[illegible]
	[illegible]		[illegible]
Date of B/L	[illegible]	$	[illegible]
Date of Arrival [illegible]	Advances [illegible]	$	[illegible]
Checked [illegible]	Umpire	$	[illegible]
Correct	Sampling When Less Than 10 Tons	$	[illegible]

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

36M—1-55—11457

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver .9375 Lead 16.9 Wire Bar Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	0	0.20	65.6	5.6	0.4		0				0.30
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	0	0.20	65.6	5.6	0.4		0				0.30

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold [illegible]	@ [illegible]	[illegible]	Base for [illegible]	Lead [illegible]	
[illegible]	[illegible]	Silver 95%	@ .9375	[illegible]			
		Lead Less 90%	@				
		Copper, Less	@				
		Total Au. & Ag.		[illegible]			
							0.25
					Insoluble	% @	
					Zinc	% @	
					Arsenic	% @	
					Antimony	% @	
Weight of Lot					Bismuth	% @	
Weight of Sacks					Debit		
Wet Weight					Iron	Lbs. @	
Less Moisture 2.0 %	[illegible]	Less Total Deduction		[illegible]	Total Deductions		[illegible]
Dry Weight	[illegible]	Pounds	@	[illegible]	Per Ton		$ [illegible]

Freight Per Wet Ton @ (60-100) 0.88 5.53 per car est. 4 [illegible]	$ [illegible]	
Hauling Per Wet Ton @	$	
Royalty 1/2 [illegible]	$ [illegible]	
" 1/2 [illegible]	[illegible]	
" 1/2 [illegible]	$ [illegible]	
Advances 1/2 [illegible]	$ [illegible]	
Umpire [illegible]	$ [illegible]	
Sampling When Less Than 10 Tons	$	

Date of B/L

Date of Arrival 1-2-[illegible]

Checked [illegible]

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

36B-1-55-11457

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., May 21, 1957, 19..

Bought of Little Rockies Mng. & Dev. Co. Mine Little Ben Our Lot No. 650

Class Crude Shipping Point Malta, Montana Mine Lot No. 1

Quotations of Wkly. Avg. Silver .91375 Lead 16.0 Wire Bar ~~Cathode~~ Copper 31.565

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	2.750	92.9	0	0.20	69.6	10.7	0.4		0	0.15	0.15		0.3
Shipper	2.750	93.6											
Umpire Peter Mack		92.55											
Settlement	2.750	92.9	0	0.20	69.6	10.7	0.4		0	0.15	0.15		0.3

Car Number	Weight
712145	93620

VALUES PER TON			
Gold	100%	@31.81825	87.50
Silver 95%		@ .91375	80.64
Lead Less	90%	@	
Copper, Less		@	
Total Au. & Ag.			168.14
Less Total Deduction			8.75

DEDUCTIONS PER TON		
Base for Charge	Lead 8.75	
		8.75
Insoluble	% @	
Zinc	% @	
Arsenic	% @	
Antimony	% @	
Bismuth	% @	
Debit		
Iron	Lbs. @	
Total Deductions		8.75

Weight of Lot	
Weight of Sacks	
Wet Weight	
Less Moisture 7.8 %	7302
Dry Weight	86318

Pounds @ 159.39 Per Ton $ 6,879.11

Freight Per Wet Ton @(Over 100.) 8.12 ; 5.53 per car cwt & 3% tax	$ 397.20	
~~Royalty 1/2%~~ Frank H. Bryant Londuskv, Montana	$ 36.28	
Royalty 1/2% Edward F. Wieglonda Landusky, Montana	$ 36.28	
" 1/2% Cecil Flinders Lewistown, Montana	36.28	
" 1% Marion & Juanita Heller Landusky, Montana	$ 72.57	
Advances 4-26-57	$ 2,500.00	
Umpire	$ 5.00	
Sampling When Less Than 10 Tons	$	

Date of B/L

Date of Arrival 4-20-57

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 3,083.61 $ 3,083.61

NET PROCEEDS $ 3,795.50

NORTHERN CONTINENTAL

P. O. BOX 1550

GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19..

Bought of [illegible] Mining & Dev. Co. Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. 2

Quotations of [illegible] Silver [illegible] Lead [illegible] Wire Bar / Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	0	0.05					0.5				
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	0	0.05					0.5				

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold	[illegible] @ [illegible]	[illegible]	Base for [illegible]%	Lead [illegible]	
[illegible]	[illegible]	Silver 95%	@ [illegible]	[illegible]			
		Lead Less	90% @				
		Copper, Less	@				
		Total Au. & Ag.		[illegible]			
							0.5
					Insoluble	% @	
					Zinc	% @	
					Arsenic	% @	
					Antimony	% @	
Weight of Lot					Bismuth	% @	
Weight of	Sacks				Debit		
Wet Weight					Iron	Lbs. @	
Less Moisture	[illegible] % [illegible]	Less Total Deduction		[illegible]	Total Deductions		[illegible]
Dry Weight	[illegible]	Pounds	@	[illegible]	Per Ton		$ [illegible]

	Freight Per Wet Ton @ [illegible]	$	[illegible]
	Haulage Per Wet Ton @ [illegible]	$	[illegible]
	Royalty [illegible]	$	[illegible]
	@ [illegible]		[illegible]
Date of B/L	@ [illegible]	$	[illegible]
Date of Arrival [illegible]	Advances [illegible]	$	[illegible]
Checked [illegible]	Umpire [illegible]	$	[illegible]
Correct	Sampling When Less Than 10 Tons [illegible]	$	[illegible]

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., August 8, 1957, 19

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. 3

Quotations of [illegible] Silver .095 Lead 14.0 Wire Bar Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	14.4	0	0.10					0				
Shipper	[illegible]	14.4											
Umpire													
Settlement	[illegible]	14.4	0	0.10					0				

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold 100%	@ 32.0095	36.05	Base for % Lead	0.75	
[illegible]	14050	Silver 95%	@ .095	13.07			
		Lead Less 90%	@				
		Copper, Less	@		0		
		Total Au. & Ag.		49.12			
							0.75
					Insoluble % @		
					Zinc % @		
					Arsenic % @		
					Antimony % @		
Weight of Lot					Bismuth % @		
Weight of Sacks					Debit		
Wet Weight					Iron Lbs. @		
Less Moisture 7.3 %	1511	Less Total Deduction		0.75	Total Deductions		0.75
Dry Weight	12470	Pounds	@	48.37	Per Ton		$ 1,207.58

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @12.00 per ton & 25 car load [illegible], Bozeman	$	297.00
	Royalty 1/24 Frank B. Brown, [illegible], Montana	$	7.21
	1/24 Rosel P. Hughes, [illegible], Montana		7.21
Date of B/L	1/24 Cecil Minders, [illegible]	$	[illegible]
Date of Arrival 7/26/57	1/24 Morton & Sarah Miller, [illegible], Montana	$	[illegible]
Checked	Umpire [illegible]	$	[illegible]
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice. 27.6 %

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., September 14, 1957 19

Bought of Little Indian Mining & Development Co. Mine Little Ron Our Lot No. 2472

Class Ores Shipping Point Lincoln, Montana Mine Lot No. 4

Quotations of N. York Silver 92.75 Lead 14.0 Wire Bar / Cathode Copper 29.50

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	1.150	23.0	0	0.20					0.6				
Shipper	1.18	23.0											
Umpire													
Settlement	1.18	23.0	0	0.20					0.6				

Car Number	Weight	VALUES PER TON		DEDUCTIONS PER TON	
		Gold 100% @ $35.00	37.55	Base for 10 % Lead 9.00	
Truck	57.00	Silver 95% @ 92.75-2.00	23.41		
		Lead Less 90% @			
		Copper, Less @			
		Total Au. & Ag.	60.96		
				Insoluble % @	9.00
				Zinc % @	
				Arsenic % @	
				Antimony % @	
Weight of Lot				Bismuth % @	
Weight of Sacks				Debit	
Wet Weight				Iron Lbs. @	
Less Moisture 2.05% 1195		Less Total Deduction	9.00	Total Deductions	9.00
Dry Weight 56.85		Pounds @	51.96	Per Ton	$ 3,000.31

	Freight Per Wet Ton @	$
	Hauling Per Wet Ton @ 22.00 Ford Trucking, 1.25 ton (20.50)	$ 255.10
	Royalty 1/2 Frank E. Grant Lincoln, Montana	$ 2.33
	1/4 Edward E. Meagher Lincoln, Montana	1.16
Date of B/L	1/4 Carl Dutton Lincoln, Montana	$ 1.16
Date of Arrival 9-17-57	Advances N. Helena & Helena Metals Helena, Montana	$ 17.72
Checked	Umpire Hercules	$ 11.00
Correct	Sampling When Less Than 10 Tons	$

Rates except on contract, subject to change without notice. TOTAL $ 312.00 $ 312.00

A minimum charge of $5.00 made on all lots under 10 dry tons. NET PROCEEDS $ 2,688.31

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., September 17, 1957, 19

Bought of [illegible] Mine Little Don Our Lot No. 1004

Class [illegible] Shipping Point [illegible], Montana Mine Lot No. 5

Quotations of [illegible] Silver [illegible] Lead [illegible] Wire Bar Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	0	0.03					0				
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	0	0.03					0				

Car Number	Weight
[illegible]	[illegible]

VALUES PER TON			
Gold	1003	@ [illegible]	[illegible]
Silver 95%		@ [illegible]	[illegible]
Lead Less	90%	@	
Copper, Less		@	
Total Au. & Ag.			135.75

DEDUCTIONS PER TON		
Base for [illegible] Lead	9.00	
Insoluble	% @	0.00
Zinc	% @	
Arsenic	% @	
Antimony	% @	
Bismuth	% @	
Debit		
Iron	Lbs. @	
Total Deductions		0.00

Weight of Lot					
Weight of Sacks					
Wet Weight					
Less Moisture	[illegible]%	[illegible]	Less Total Deduction		0.00
Dry Weight	[illegible]		Pounds @	135.75	Per Ton $ [illegible]

Freight Per Wet Ton @	$	
Hauling Per Wet Ton @	$	
Royalty	$	
1/2 [illegible]		[illegible]
1/2 [illegible]		[illegible]
1/2 [illegible]	$	[illegible]
Advances	$	[illegible]
Umpire	$	[illegible]
Sampling When Less Than 10 Tons	$	

Date of B/L

Date of Arrival

Checked [illegible]

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible] 20, 1957, 19

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver .9665 Lead 24.0 Wire Bar / Cathode Copper 27.780

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	0.850	24.6	0.8	0.20					0.5				
[illegible]	0.850	24.6											
[illegible]	0.075	0.03											
Umpire													
Settlement	0.875	24.57	0.8	0.20					0.5				

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON	
		Gold 100%	@ 2.1025	27.24	Base for Lead	5.00
Truck	89770	Silver 95%	@ .9665-1.05	24.00		
		Lead Less 90%	@			
		Copper, Less	@			
		Total Au. & Ag.		51.24		
						2.00
					Insoluble % @	
					Zinc % @	
					Arsenic % @	
					Antimony % @	
Weight of Lot					Bismuth % @	
Weight of Sacks					Debit	
Wet Weight					Iron Lbs. @	
Less Moisture 2.50 %	2243	Less Total Deduction		8.00	Total Deductions	8.00
Dry Weight @	87527	Pounds	@	35.24	Per Ton	$ 2,737.50

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @12.00 [illegible] (36.16)	$ [illegible]	
	Royalty 1/[illegible] [illegible]	$ [illegible]	
	1/[illegible] [illegible]	[illegible]	
Date of B/L	1/[illegible] [illegible]	$ 10.50	
Date of Arrival 5-3-57	Advances 1/[illegible] [illegible]	$ [illegible]	
Checked [illegible]	Umpire [illegible]	$ 12.05	
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM No. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., January 14, 19 58

Bought of Little Rockies Mining & Dev. Co. Mine Little Ben Our Lot No. 2146

Class Crude Shipping Point Landusky, Montana Mine Lot No. 8

Quotations of Mon. Avg. Silver .90 Lead 13.0 Wire Bar / Cathode Copper

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	2.450	99.7	0	0.05					0.5				
Shipper	2.450	100.7											
Umpire HEHood		98.95											
Settlement	2.450	99.7	0	0.05					0.5				

Car Number	Weight	VALUES PER TON				DEDUCTIONS PER TON		
		Gold	100%	@ 31.81825	77.95	Base for Charge %	Lead 9.00	
Truck	28640	Silver 95%		@ .90-1.0	84.30			
		Lead Less	90%	@				
		Copper, Less		@				
		Total Au. & Ag.			162.25			
								9.00
						Insoluble	% @	
						Zinc	% @	
						Arsenic	% @	
						Antimony	% @	
Weight of Lot						Bismuth	% @	
Weight of Sacks						Debit		
Wet Weight						Iron	Lbs. @	
Less Moisture 6.8 %	1948	Less Total Deduction			9.00	Total Deductions		9.00
Dry Weight	26692	Rounds		@	153.25	Per Ton		$ 2,045.27

Freight Per Wet Ton	@ 12.00 Fred Thackeray & 35 tax (5.16)	$ 177.00
~~Royalty Per Wet Ton~~	@ 1/2% Frank B. Bryant Landusky, Montana	$ 10.03
Royalty	1/2% Edward F. Mioglenda Landusky, Montana	$ 10.03
"	1/2% Cecil Flinders Lewistown, Montana	10.03
"	1% Marion & Juanita Holler Landusky, Montana	$ 21.65
Advances	12-23-57	$ 1,300.00
Umpire		$ 4.00
Sampling When Less Than 10 Tons	Goodalls	$ 11.00
	TOTAL	$ 1,548.14 $ 1,546.14
	NET PROCEEDS	$ 497.13

Date of B/L

Date of Arrival 12-12-57

Checked

Correct

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

M NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19[illegible]

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. 1

Quotations of [illegible] Silver .70 Lead 13.0 Wire Bar Cathode Copper

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	0.00	35.3	0	0.10	75.0	9.3			0.5	0.50	0.25		0.1
[illegible]	0.320	35.6											
Umpire [illegible]	0.500												
Settlement	0.500	35.15	0	0.10	75.0	9.3			0.5	0.50	0.25		0.1

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON	
		Gold 100%	@ [illegible]	[illegible]	Base for [illegible] % Lead 9.00	
[illegible]	20,020	Silver 95%	@ [illegible]	35.02		
		Lead Less 90%	@			
		Copper, Less	@			
F.C. $13.40 p.t.				10.73		
					Insoluble % @	9.00
					Zinc % @	
					Arsenic % @	
					Antimony % @	
Weight of Lot					Bismuth % @	
Weight of Sacks					Debit	
Wet Weight					Iron Lbs. @	
Less Moisture [illegible] %	[illegible]	Less Total Deduction		9.00	Total Deductions	9.00
Dry Weight	20,073	Pounds	@	97.73	Per Ton	$ [illegible]

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton [illegible]	$ 175.23	
	Royalty 1/2 [illegible]	$ 3.12	
	" 1/2 [illegible]	3.12	
Date of S/L	" 1/2 [illegible]	$ 3.12	
Date of Arrival	Advances [illegible]	$ 6.00	
Checked [illegible]	Umpire	$ 11.00	
Correct	Sampling When Less Than 10 Tons	$ 4.00	

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ 209.33 $ 207.33

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. 2

Quotations of [illegible] Silver .50 Lead [illegible] Wire Bar / Cathode Copper

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	0	[illegible]					[illegible]				
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	0	[illegible]					[illegible]				

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON		
		Gold [illegible]	@ [illegible]	[illegible]	Base for [illegible]%	Lead [illegible]	
[illegible]	[illegible]	Silver 95%	@ [illegible]	[illegible]			
		Lead Less 90%	@				
		Copper, Less	@				
				[illegible]			
							[illegible]
					Insoluble	% @	
					Zinc	% @	
					Arsenic	% @	
					Antimony	% @	
Weight of Lot					Bismuth	% @	
Weight of Sacks					Debit		
Wet Weight					Iron	Lbs. @	
Less Moisture [illegible] % [illegible]		Less Total Deduction		[illegible]	Total Deductions		[illegible]
Dry Weight [illegible]		Pounds	@	[illegible]	Per Ton		$ [illegible]

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @ [illegible]	$ [illegible]	
	Royalty [illegible]	$ [illegible]	
	[illegible]	[illegible]	
Date of B/L	[illegible]	$ [illegible]	
Date of Arrival [illegible]	Advances [illegible]	$ [illegible]	
Checked [illegible]	Umpire [illegible]	$ [illegible]	
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible] 1958, 19

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class Crude Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver [illegible] Lead [illegible] Wire Bar / Cathode Copper

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	0	0.10					0				
[illegible]	[illegible]	[illegible]											
Umpire													
Settlement	[illegible]	[illegible]	0	0.18					0				

Car Number	Weight	VALUES PER TON		DEDUCTIONS PER TON	
		Gold [illegible] @ [illegible]	[illegible]	Base for [illegible] % Lead [illegible]	
[illegible]	[illegible]	Silver 95% @ [illegible]	[illegible]		
		Lead Less 90% @			
		Copper, Less @			
			[illegible]		
					[illegible]
				Insoluble % @	
				Zinc % @	
				Arsenic % @	
				Antimony % @	
Weight of Lot				Bismuth % @	
Weight of Sacks				Debit	
Wet Weight				Iron Lbs. @	
Less Moisture [illegible] % [illegible]		Less Total Deduction	[illegible]	Total Deductions	[illegible]

Dry Weight [illegible] Pounds @ [illegible] Per Ton $ [illegible]

	Freight Per Wet Ton @	$	[illegible]
	Hauling Per Wet Ton @ [illegible]	$ [illegible]	[illegible]
	Royalty [illegible]	$ [illegible]	
	[illegible]	[illegible]	
Date of B/L	[illegible]	$ [illegible]	
Date of Arrival [illegible]	Advances [illegible]	$ [illegible]	
Checked [illegible]	Umpire [illegible]	$ [illegible]	
Correct	Sampling When Less Than 10 Tons	$	

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

FORM NO. A-31

AMERICAN SMELTING AND REFINING CO.

EAST HELENA PLANT

East Helena, Mont., [illegible], 19[illegible]

Bought of [illegible] Mine [illegible] Our Lot No. [illegible]

Class [illegible] Shipping Point [illegible] Mine Lot No. [illegible]

Quotations of [illegible] Silver [illegible] Lead [illegible] Wire Bar / Cathode Copper [illegible]

ASSAYS	GOLD Oz. per ton	SILVER Oz. per ton	Wet Lead Per Cent	COPPER Per Cent	INSOL Per Cent	IRON Per Cent	Manganese Per Cent	Sulphur Per Cent	ZINC Per Cent	ARSENIC Per Cent	Antimony Per Cent	Bismuth Per Cent	LIME Per Cent
A. S. & R. Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]											
[illegible]	[illegible]	[illegible]											
Umpire		[illegible]											
Settlement	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]		[illegible]

Car Number	Weight	VALUES PER TON			DEDUCTIONS PER TON	
		Gold [illegible]	@ [illegible]	[illegible]	Base for [illegible] % Lead [illegible]	
[illegible]	[illegible]	Silver 95%	@ [illegible]	[illegible]		
		Lead Less 90%	@			
		Copper, Less	@			
				[illegible]		
						[illegible]
					Insoluble % @	
					Zinc % @	
					Arsenic % @	
					Antimony % @	
Weight of Lot					Bismuth % @	
Weight of Sacks					Debit	
Wet Weight					Iron Lbs. @	
Less Moisture [illegible] %	[illegible]	Less Total Deduction		[illegible]	Total Deductions	[illegible]
Dry Weight	[illegible]	Pounds	@	[illegible]	Per Ton	$ [illegible]

	Freight Per Wet Ton @	$	
	Hauling Per Wet Ton @ [illegible]	$ [illegible]	
	Royalty [illegible]	$ [illegible]	
	[illegible]	[illegible]	
Date of B/L	[illegible]	$ [illegible]	
Date of Arrival [illegible]	Advances [illegible]	$ [illegible]	
Checked [illegible]	Umpire	$ [illegible]	
Correct	Sampling When Less Than 10 Tons [illegible]	$ [illegible]	

Rates except on contract, subject to change without notice.

A minimum charge of $5.00 made on all lots under 10 dry tons.

TOTAL $ [illegible] $ [illegible]

NET PROCEEDS $ [illegible]

NORTHERN CONTINENTAL

P. O. BOX 1550

GRAND JUNCTION, COLORADO

Exh. 3c(3)

GLB DATE 3/6/62 SUBJECT PRODUCTION DATA, AUGUST, LITTLE BEN, & GOLD BUG MINES, PHILLIPS CO., MONTANA SHEET NO. ____ OF ____

CHKD. BY ____ DATE ____ JOB NO. ____

(Data from Bureau of Mines)

YEAR	TONS MILLED	$ VALUE* PER TON	OUNCES GOLD RECOVERED	OUNCES SILVER RECOVERED	$ VALUE* TOTAL	CLASS OF PRODUCT
1901-08	NO PRODUCTION RECORDED					
1909	18,121	$33.68	17,055	15,711	$610,315	Crude?
1910	24,640	33.00	21,370	42,081	813,120	"
1911	9,493	33.33	8,352	26,576	316,402	"
1912	NO PRODUCTION RECORDED					
1913	158	210.27	903	1,760	33,223	Crude?
1914	3,059	8.54	353	14,698	26,124	Crude, dumps, & tailings.
1915	30,000	10.49	3,505	208,457	314,700	" " "
1916	54,280	2.72	986	125,617	147,642	" " "
1917	54,750	2.68	1,918	87,818	146,730	" " "
1918	1,300	3.53	58	2,804	4,589	Crude?
1919-23	NO PRODUCTION RECORDED					
1924	3,940	31.42	2,355	45,373	123,795	Crude?
1925	15	33.91	9	214	509	Cleanup-slag
1926-29	NO PRODUCTION RECORDED					
1930	40	552.67	629	109	22,107	Crude?
1931	215	437.10	2,656	1,152	93,977	"
1932	172	22.62	1,355	2,532	3,891	"
1933	4,984	26.54	3,677	3,540	132,275	Crude & Conc.
1934	21,639	9.66	5,910	5,618	209,033	Conc.
1935	32,665	8.30	7,426	9,165	271,120	"
1936	43,023	6.25	7,210	18,914	212,644	"
1937	45,209	7.67	8,986	35,628	346,753	"
1938	53,581	5.01	6,576	41,719	268,441	"
1939	46,612	5.46	6,438	32,672	254,502	"
1940	14,009	16.79	5,181	59,376	235,211	"
1941	24,847	5.86	2,473	65,503	145,603	"
1942	6,800	6.99	683	26,226	47,532	"
1943	NO PRODUCTION RECORDED					
1944	3	209.61	14	153	629	Cleanup?
1945	12	128.09	43	37	1,537	"
1946	55	54.75	81	201	3,011	Crude?
1947	87	76.44	69	4,690	6,650	"
1948	NO PRODUCTION RECORDED					
1949	27	162.78	27	3,812	4,395	Crude
1950	55	77.47	27	3,666	4,261	"
1951-52	NO PRODUCTION RECORDED					
1953	17	70.40	13	823	1,197	Cleanup?
1954	NO PRODUCTION RECORDED					
1955	6	69.55	4	308	417	Cleanup?
1956	1,205	8.77	141	6,213	10,568	Crude & Conc.
1957	277	103.15	419	15,409	28,573	Crude
1958	56	103.98	77	3,456	5,823	"
1959	NO PRODUCTION RECORDED					
1960	13	109.36	19	837	1,422	Crude
TOTAL:	495,365		116,998	912,841	4,848,721	

* $ VALUE @ $35/oz., & $.905/oz.

Exh. 3c(3)

NORTHERN CONTINENTAL
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Exh. 5a, 5b

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EXPLORATION WORK

SKETCHES AND PLANS

Item	Included On
5a	Exhibit 3a(1) Exhibit 3d(2), 3d(3)
5b	Exhibit 3a(1)

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 5a,b

Exh. 6

EXHIBIT 6 - Experience

Continental Materials Corporation Mining Division

Brief history of company and mining operations:

Company incorporated in September, 1954 as Continental Uranium, Inc.. Mining staff subsequently assembled to conduct mining operations on properties held and to carry on exploration activities to extend ore reserves.

Corporate name changed in 1957 to Continental Materials Corporation as activities diversified.

Mining Operations:

Continental No. 1 Mine, San Juan County, Utah

Underground operation, 1954-1958

Produced approximately 77,000 tons of uranium ore

Rattlesnake Mines, San Juan County, Utah

Initial development was an open pit operation involving the removal of about 2,500,000 cu. yds. of overburden with subsequent selective mining of some 200,000 tons of ore and waste. Underground operations then developed which have produced approximately 175,000 tons of ore to date.

Wyoming Operations, Fremont County, Wyoming

Development and mining at this property has been conducted from an open pit and two vertical shafts. Production to date has been approximately 180,000 tons.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

EXHIBIT 6, Cont'd.

In addition to the above, several smaller properties have been operated and have contributed varying amounts to the overall operation.

All activities of the Mining Division have been conducted by the company staff. This has consisted of supervision of initial drilling, reserve estimates, feasibility studies, development planning, determination of mining methods, plant design and construction and equipment selection for production.

Following is a tabulation of mining production by years:

Year	Tons Shipped
1961	91,637
1960	93,408
1959	85,977
1958	86,196
1957	87,110
1956	34,123
1955	22,568
1954 (4 months)	7,609

Present Mining Division Employees:

Administrative & Supervisory	6
Technical	6
Accounting	2
Hourly & Contract Employees	60

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 6(1)

Exhibit 6(1)

EXPERIENCE RECORD OF APPLICANT

Contents 6 Pages

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

C. H. REYNOLDS

Biographical data:
Age: 44
B. S. in Mining Engineering - Mackay School of Mines, University Nevada, 1943
Member:
American Institute of Mining and Metallurgical Engineers, 1946
Past Chairman of Colorado Plateau Section, 1961
Nu Eta Epsilon, Honorary Engineering Society

Professional Experience:

1943-1944.....Basic Refractories, Inc., Gabbs, Nevada, mining engineer. Duties consisted of establishing engineering control, conducting cost studies, pit design and planning for open pit mining of Brucite (Mg OH2) deposit. Conducted engineering and sampling procedures for rigid quality control. Supervised initial pilot plant studies to beneficiate ore.

1944-1946.....South Pacific Area, United States Marine Corps

1946-1947.....Bunker Hill and Sullivan Mining and Concentrating Co., Coeur d'Alene district--geologist, mine operating geology, detailed mapping of development work and outside properties.

1947-1955.....Sidney Mining Co., Coeur d'Alene District, Engineer-geologist to 1951; chief engineer to 1953; mine superintendent to 1955. Integrated Pb-Zn mining and milling operation with new (1947) modern selective flotation plant; 250 tpd. capacity. Underground vein mine with shrinkage and cut and fill stoping. In responsible charge of extensive exploration and development program, including 1000 foot shaft deepening project and attendant installation and level development.

1955-to Date..Continental Materials Corp.--General Superintendent of mining division, organized mining department and brought properties into production from initial drilling. In charge of staff--operating, technical, accounting--engaged in mining activities, property evaluation, exploration projects.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

JOHN G. ROSCOE

Biographical Data:
Age: 40
B. S. in Mining Engineering, Mackay School of Mines, University of Nevada, 1948
Member:
American Institute of Mining and Metallurgical Engineers, 1947
Registered Professional Engineer, Idaho, No. 876, 1954
U. S. Mineral Surveyor, 1954

Professional Experience:

1948-1954.....Bunker Hill Co., Kellogg, Idaho - Mining Engineer. Mine and surface plant surveying, mill and smelter construction engineering, mill and smelter physical appraisal, mining claim patent surveying.

1954-1955.....U. S. Atomic Energy Commission, Denver, Colorado-Mining Engineer. Ore reserve data computation and evaluation. Exploration contract administration, property examination.

1955-1956.....Farmington Funding Corp., Colorado Springs, Colorado-Mining Engineer, Property examination. Organized and supervised exploration projects.

1956-1957.....Continental Materials Corp., Moab, Utah - Mine Superintendent. Supervised stripping and put Rattlesnake Open Pit into production. Set up plant and equipment, developed mining system.

1957-to Date..Continental Materials Corp., Grand Junction, Colorado-Superintendent of Mines. Responsible to General Superintendent for mine production, mine planning and development. Coordinates activities at producing properties. Purchasing agent for capital expenditures. Assists general superintendent in direction of technical and administrative, personnel and property evaluation.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

GERALD L. BROOKE

Biographical Data:
Age: 37
B. S. in Geology - Michigan State University, 1949
M. S. in Geology - Michigan State University, 1951
Member:
Society of Economic Geologists, 1951 - Sigma Xi

Professional Experience:

1943-1947.....U.S. Navy (pilot)

1951-1953.....U.S. Atomic Energy Commission, Grand Junction, Colorado - Geologist and Geophysicist. Uranium exploration - property examinations, mapping, sampling, drilling, ore reserve evaluation. Air-borne scintillation surveys, scintillation probe research, interpretation and administration.

1953-1955.....Vernon Pick & Co., Grand Junction, Colorado - Geologist, Uranium exploration - property examinations, Air-borne scintillation surveys.

1955-to Date..Continental Materials Corp., Grand Junction, Colorado - Geologist. Property examinations and mineral exploration - mapping, trenching, sampling, drilling, geo-physical surveys, ore reserve calculations.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

MAURICE H. BRADY

Biographical Data:
Age: 40
B. S. in Mining Engineering, Mackay School of Mines, University Nevada, 1950
Member:
American Institute of Mining Engineers

Professional Experience:

1950-1951.....Bunker Hill Co., Kellogg, Idaho - Miner, timberman and junior geologist in underground Pb-Zn-Ag mine.

1951-1955.....American Smelting & Refining Co., Santa Barbara, Chihauhua, Mexico - Engineer, assistant chief engineer, shift boss, division foreman, assistant to General Mine Superintendent. In charge of exploration and development projects, research on special problems, industrial engineering for 1500 tons per day integrated mining and milling operation with selective flotation for Pb, Zn, Cu, Fe.---1400 employees.

1955-1957.....Sabre-Pinon Corp., Colorado Plateau and New Mexico area. Superintendent for exploration and mining activities, engineer in charge of drilling projects in Grants, New Mexico district. Supervised drilling and participated in evaluation as well as original mine planning of areas which have developed into major producers in largest uranium district in the United States --- property now mining and milling 2250 tons per day.

1957 to Date..Continental Materials Corp. Mine Superintendent, Rattlesnake Mines, San Juan County, Utah. In charge of mining at largest open pit uranium mine on Colorado Plateau, responsible for grade control and selective extraction. Supervises underground mining, development and exploration of adjoining ore bodies.

ROY K. DONDERO

Biographical Data:
Age: 41
B. S. in Mining Engineering, Mackay School of Mines, University of Nevada, 1948

Professional Experience:

1948-1949.....Copper Canyon Mining Co., Battle Mountain, Nevada - Mine Engineer, surveying, sampling, mine planning and design.

1949-1953.....Pit Engineer and Foreman, Isbell Construction Co. - pit design, planning and contract measurement on 50 million ton stripping and mining contract for the Kennecott Copper Co., Ray, Arizona. Planned stripping program on American Smelting & Refining Co's. Silver Bell Mine.

1953-1956.....Pit Engineer and Foreman, The Anaconda Co., Yerington, Nevada - pit design and supervision 2000 tons per day open pit sulfur mine and 12,000 tons per day open pit oxide copper mine. Area engineer in charge of construction of 400 tons per day crusher and fluo-solids roasting plant.

1956-1957.....Resident Engineer and Assistant Construction Manager, Southwestern Engineering and F. H. McGraw Co. - Design Engineers Representative on borax recovery plant at Boron, California. Assistant Construction Manager for F. H. McGraw in field inspections, hiring key personnel, expediting materials and plans for contraction of $40 million alumina plant and $100 million alumina reduction plant.

1957-1958.....Resident Engineer for American Smelting & Refining Co. on $10 million asbestos mill, Black Lake, Canada. Owners representative, approved all purchases and sub-contracts under $5000, made recommendations on sub-contracts over $5000. General inspection of all construction, coordination of information and plans between contractor, designer and owner.

1958-to Date..Mine Superintendent, Continental Materials Corp. In charge of 200 tons per day underground uranium mine.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

GLENN S. FRANKLIN

Biographical data:
Age: 43
Mackay School of Mines, University of Nevada, 1946-1949, 3 years study in Mining Engineering

Professional Experience:

1932-1941.....Sampler and Miner, gold and silver mines, Silver City, Nevada.

1941-1942.....U. S. Army.

1942-1943.....International Mining and Smelting Co., Battle Mountain, Nevada - Miner.

1943-1944.....Rare Metals Corp., Toulan, Nevada, Mill construction and operation; Howe Sound Mining Co., Holden, Washington - Miner.

1944-1946.....U. S. Army.

1946-1948.....Mackay School of Mines.

1948-1950.....Howe Sound Mining Co., Cobalt, Idaho - Miner, Engineer and Geologist.

1950-1951.....Mackay School of Mines.

1951-1959.....Howe Sound Mining Co., Cobalt, Idaho - Engineer and Geologist; surveying, diamond drill supervision, geochemical prospecting, shift boss.

1959-1960.....Isbell Construction Co., Cobalt, Idaho - Open Pit Powderman.

1960-to Date..Continental Materials Corp., Jeffrey City, Wyoming - Miner, shift boss-shaft sinking, mine engineering.

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 6(2)

Exhibit 6(2)

EXPERIENCE RECORD OF CONSULTANT

Contents 15 Pages

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WISSER AND COX
CONSULTING GEOLOGISTS
55 NEW MONTGOMERY STREET
SAN FRANCISCO
PHONE YUKON 2-1436

Professional Record

WISSER & COX

CONSULTANTS IN APPLIED GEOLOGY

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

WISSER AND COX

CONSULTING GEOLOGISTS

55 NEW MONTGOMERY STREET

SAN FRANCISCO

PHONE YUKON 2-1436

.... a partnership serving industries and governments by practical, imaginative applications of geology and engineering to physical problems and financial decisions.

.... an independent firm - since organized in 1955 has completed 89 job assignments for 47 clients in many countries...mining and industrial companies, government agencies investment firms, municipal corporations and individuals.

.... principals are EDWARD WISSER and MANNING W. COX Associates of many skills are available for assignments of any duration..The firm will undertake assignments only where applied geology can be of genuine value to the client. A per diem arrangement is usual, but where the scope of work is clearly defined the firm will offer a fixed price whatever the size of the project.

S C O P E O F S E R V I C E S

F I E L D S U R V E Y S

ENGINEERING WORKS
MINING AND QUARRYING
MINERAL RAW MATERIAL EXPLORATION
RESOURCE AND MARKET DISTRIBUTION

C O N S U L T A T I O N

VALUATION
INVESTMENT
MANAGEMENT

E N G I N E E R I N G R E P O R T S

WISSER AND COX
CONSULTING GEOLOGISTS
55 NEW MONTGOMERY STREET
SAN FRANCISCO
PHONE YUKON 2-1436

EDWARD WISSER (partner)

Biographical data:

Born: July 25, 1895, Fort Hamilton, New York
B.S. in Mining Engineering - University of California, 1917
Lt. Engineers, U.S. Army, 1917-1919
Teaching Fellowship in Geology - University of California, 1924-25
Johnston Scholar in Geology - Johns Hopkins, 1939-40
Lecturer in Mining - University of California, 1946-47
Professor of Mining - University of California, 1947-48
Professor of Mineral Exploration - University of California, 1947 to date
Member:
- Geological Society of America Fellow, 1937
- Society of Economic Geologists, 1937; councilor, 1958-60
- American Geophysical Union, 1951
- National Research Council, 1951-58
- Mining & Metallurgical Society of America
- American Institute of Mining & Metallurgical Engineers, 1918
  - Past chairman, San Francisco section, and various committees
- American Association of Petroleum Geologists
- Sigma Xi
- Geochemical Society

Listed in:
- American Men of Science
- Who's Who in Engineering

Professional Publications: 20
Examiner for accreditation of geological engineering curricula, Engineering Council for Professional Development
Recipient Penrose Grant, G.S.A. Monograph on Ore Localization (in press, 1959)

Professional Engagements:

1919 - 1921... Mining engineer, Ray Consolidated Copper Company, Arizona
1921 - 1924... Mine superintendent, Washington, California, Colorado
1925 ..... Engineer, Lincoln operators, Stockton Firebrick, California
1925 - 1926... Geologist, Phelps Dodge Corporation, Bisbee, Arizona
1926 - 1936... Chief Geologist, Mexican operations, U.S. Smelting and Refining Company; operating and engineering geology at Cia Real del Monte y Pachuca. Exploration and examination work throughout Mexico, with particular reference to: Sombrerete, Zacatecas; Guanajuato, Guanajuato; Santa Maria del Oro, Durango; Concepcion, Zacatecas; Matahuala, San Luis Potosi; Cinco Minas, Jalisco

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P. O. BOX 1550
GRAND JUNCTION, COLORADO

Responsible for tunneling and diamond drilling expenditures in excess of $1,000,000 annually.

1936-1955... Independent Consulting Geologist; assignments include:

Consolidated Mines....	Bagio and Paracale Gold districts exploration, Philippines
Atok-Big Wedge Gold...	Direction of exploration, 1949-51
Mindaneo Mother Lode..	Philippine Mines, Atlas Copper exploration and development
International Minerals & Metals Corp.	Analysis lead-zinc district, Mexico Appraisal copper, lead, zinc district, Cuba Appraisal copper districts, California Study zinc resources, British Columbia
Cyprus Mines.....	Economic Studies, western Mexico Acquisition of Afterthought mine, California
Banco de Mexico.....	Analysis of basis for western Mexico smelting industry
Egale Pitcher Co.	Brought in San Pedro and Esmeralda mines Chihuahua, Mexico
The Paraffine Co.	Valuation of gypsum properties, Nevada
Lake Charles Oil Co. ..	Geologic survey of Baja California
New Amalden Corp. ...	Open pit mining project
Reconstruction Finance.	Examination of Governor quicksilver mine Ivanhoe district, Nevada
Wells Fargo Bank	Black rock sulphur deposit, Nevada
The Glidden Co.	Expert testimony re damage to mining by Shasta Lake, Calif. (Bully Hill zinc mines)
Winton Bros.	Procurement of beachwater riprap, Calif.
Shasta Iron Mines.....	Expert testimony re damage to mining, particularly to access, to Shasta Lake California
Slater Bros.Quarry	Expert testimony re construction materials, California
U.S. Justice Dept.....	Expert testimony re water damage to Big Blue mine, California

July, 1955 Partnership, Wisser & Cox

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WISSER AND COX
CONSULTING GEOLOGISTS
55 NEW MONTGOMERY STREET
SAN FRANCISCO
PHONE YUKON 2-1436

MANNING W. COX (partner)

Biographical data:
Born: February 19, 1918, Seattle, Washington
B. S. in Geology - University of Washington, 1940
Teaching Fellowship in Geology - Yale, 1940-41
Member:
American Institute of Mining & Metallurgical Engineers, 1942
Society of Economic Geologists, 1953
Sigma Xi
Registered Professional Engineer, Idaho, #1069

Professional Engagements:
1940.....National Park Service, ranger, Mt. Rainier
1941-1945...U.S. Geological Survey, geological branch:
Western states - general geology
Cuba - geology and valuation for manganese purchases
California, Utah - mining geology and diamond drilling
Nevada, Idaho - molybdenum resource study
New Mexico - district mining geology
1945-1946...U.S. Smelting & Refining Company, exploration geologist
San Juan, Colorado - prospect examination and mine rehabilitation.
1946-1955...American Smelting & Refining Company, geologist-engineer to 1951; then chief geologist, Northwestern Mining Division, Principal assignments included:

Substantial exploration projects:
Algeria, Tunisia, Morocco, Spain - examination and appraisal of lead, zinc, antimony mines, 1950-1951
Peru - valuation of copper properties, 1954
Colorado - Ibex Sunday underground development Leadville, 1947
Yukon Territory - McMillan, involving air transport for 2-drill exploration and geophysical prospecting, 1951-54
British Columbia - Bethlehem Copper, started in 1954
Washington - Deer Park Industries, involving geophysical and geochemical prospecting and trenching in 300 square mile area.
Montana, Wyoming - uranium prospecting by ground and airborne geophysics.

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Mine Operating Geology:
Development, detailed mapping and sampling, ground support, rock bursts, reserve estimation at: Morning, Page, Frisco, Mike Horse, Lucky Friday, Jack Waite, Standard Mammoth; Coeur d'Alene district, Idaho and northern Montana, 1946-1950

New Mine Development:
Galena Project - Coeur d'Alene district, from initial shaft sinking and plant construction, to discovery and development into major silver producer, 1947-1955.
Van Stone Project, Washington - from initial mapping, pit and plant design, location and construction, into 1000 tpd open pit zinc producer, 1949-1952
Lake Asbestos property, Quebec - mapping, drill exploration, evaluation, pit design, lake drainage, highway relocation (1952). Came into production at 5000 tpd in 1958.
Barvue Zinc mine, Quebec - study open pit and plant

Resource Studies:
Siliceous fluxes for Helena and Tacoma smelters
Zinc resources for west coast smelter
Fluorite for Garfield acid plant
Aluminous materials throughout western United States for National Metallurgical Corporation.

District Studies - (16) throughout western United States, British Columbia, Yukon and Alaska
Responsible for geologic and engineering department consisting of 2 to 4 offices with 8 to 15 professional employees; $200,000 to $500,000 annual budget.

1955 to date... Consulting geologist, mine operator
Boriana WO_3 lease, Kingman, Arizona; operated HMS plant and underground mine
Evaluation of mining properties of S.E. Hadj Thami, El Glauoi, Pasha of Mrrakesh, Morocco

July, 1955 Partner, Wisser & Cox

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P. O. BOX 1550
GRAND JUNCTION, COLORADO

WISSER AND COX
CONSULTING GEOLOGISTS
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EUGENE H. LINDSEY (associate)

Biographical data:

Born: September 10, 1926, Kalamazoo, Michigan
John Muir College
B.S. in Geology - Missouri School of Mines, 1951
M.S. in Geology - University of California, 1957

Professional Engagements:

1944-1946....U.S. Navy (radio technician)
1951-1956....Anaconda Company. International Smelting and Refining Company
Park City, Utah, stope geology (lead-zinc) 1951
General exploration, 1952-1953
Lovitt Mine, Washington (gold) underground mine geologist, 1952
Yerington, Nevada (copper) pit control and exploration, 1953-1956
Leviathan mine (sulfur) California, open pit control, 1954-1956

1957 to date..Wisser and Cox
Central Idaho district study (base metals)
Metaline District, Washington - mine damage, reservoir leakage, property evaluation.
San Vicente quarry, California - limestone pit development
Caguas exploration project, Puerto Rico (copper)

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P. O. BOX 1550
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PROFESSIONAL ENGAGEMENTS

(July 1955 through December 1958)

C. B. Aitchison.....	1) Manganese valuations 2) Iron ore exploration recommendations
Angell & Adams.....	Preparation of testimony re condemnation of McMurray rock quarry, Russian River, California
Asbestos Corporation, Ltd.....	Examination of prospects, California
Bagdad Copper Company.....	Valuation of waste disposal area, Bagdad District, Arizona
Balboa Mining Company.....	Examination and direction of exploration Sein Fein mine (lead) Arizona
Battle Mountain Copper Company..	1) Design of three open pits 2) Estimation of reserves at Copper Canyon and Copper Basin, Nevada 3) Valuation of copper deposits at Battle Mountain, Nevada
Bethlehem Copper Company.....	Review of exploration techniques, Highland Valley project, Canada; recommendations for new drilling technique
P. A. Borelli	Appraisal of White Caps mine, Arizona
Calaveras Central Gold Mining Co.	Economic study of drift mine, California for aggregate and highway materials production
S. K. Connors.....	Valuation Ray Silver-Lead prospect, Arizona
Consolidated Uranium Company...	Valuation of copper property, Arizona
Cordera Mining Company.....	Direction of exploration work at Mt. Diablo quicksilver, California

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De Soto Copper Company.....	1) Management of DeSoto Copper mine exploration 2) Management of Cordera copper mine exploration, involving diamond drilling
Dozier & Presley.....	Legal testimony re valuation of Rio Vista clay pits
Ebasco Services.....	Evaluation of limestone deposits for cement plant at Frazier, California
Flintkote Company.....	1) Evaluation of gypsum deposits for wallboard, Sweetwater, Texas 2) Mining and exploration layout for Sweetwater gypsum deposits, including highway relocation, railroad survey 3) Examination of fumarolic sulphur deposits in California 4) Evaluation of natural resources of U.S. Lime Products Company, Nevada including quarrying methods and access 5) Examination of claim histories, Nevada 6) Evaluation of reserves, Blue Diamond gypsum, Nevada 7) preparation operating maps, Blue Diamond, Nevada 8) Evaluation of reserves, Glens Falls Portland Cement Company, New York
E. G. Frawley, etal.....	Examination of manganese deposits, Mexico and Arizona; copper prospects, Arizona. Total 22 properties
Paul Goddard.....	Examination Round Hills tungsten Bishop, California
Granite Construction Company....	Search for breakwater rock, Pillar Point, California
Boris Gresov.....	Management advice, Sello Azul prospect, Mexico
Hualpai Company.....	1) Study of heavy media metallurgy at Stockton Hill lead mine, Arizona 2) Examination molybdenum properties, Arizona. access roads, mine rehabilitation sampling.

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International Minerals & Chemical...	Recommendations for exploration to acquire boron deposits in California
Jack Waite Mining Company	1) Engineering study and evaluation of Jack Waite mine, Idaho 2) Negotiations new A.S.& R. contract 3) Management advisory service
Johns Manville Company.....	1) One-year exploration campaign for gypsum in western U.S. and Mexico, including geologic mapping, diamond drill exploration, transportation and production costs studies 2) Examination of asbestos deposits in Malheur County, Oregon and Shasta County, California 3) Appraisal Bestwall gypsum properties throughout North America
Kennecott Copper Company.....	1) Structural analysis and detailed recommendations for prospecting in Southern California 2) Structural analysis of Arizona copper deposits 3) Appraisal Bully Hill mine, California
Loew & Flaherty.....	Evaluation of chrome prospect, Mendicino County, California
E. J. Longyear Company.....	Reserve estimates, operations research and layout of mining methods, Rio de Oro Uranium mines, New Mexico
Minera Cuprum, S.A.	Exploration for asbestos, Mexico; drilling prospecting, logistics, trenching, road construction, detailed mapping, 4 localities
Minera San Bruno, S.A.	Diatomite exploration, Mexico; trenching property acquisition
New York & Honduras Rosario Co..	Batzan copper district examination, Mexico
Pacific Gas & Electric Co.	Coal land condemnation litigation.

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P. O. BOX 1550
GRAND JUNCTION, COLORADO

Pacific Cement & Aggregates.....	1) Ore reserve and operating problems study Santa Cruz Cement Co. California 2) Layout of drill exploration at San Vicente limestone quarry, California, for conversion of glory hole to bench quarry 3) Pit and stripping design, reserve and waste examination, San Vicente, Calif. 4) Bonny Doon exploration for limestone California; core drilling, geochemical water tests, pit design, reserve estimation. 5) Appraisal of Three Rivers limestone, California (cement rock)
Frank Price.....	Evaluation of Last Chance copper prospect Yerington, Nevada
Seattle City Lighting Department..	Valuation of mine damage problem re: Boundary dam site application, Washington; preparation of reports to Federal Power Commission; 11 miles detailed geology re dam sites, reservoir leakage, mine damage, relocation shafts, pumping station and powerhouse, planning and directing deep drilling, ground water study (with Leggette, Brashears & Graham), study of economics of district and of lead-zinc industry, preparation of plastic model of district.
Lloyd H. Smith.....	1) Catalog of non-sulfide copper deposits of western United States 2) Examination and appraisal of Perrico copper property, Durango, Mexico
Ralph L. Smith Lumber Company...	1) Valuation asbestos property, California 2) Management advisory service
Standard Ore & Alloys	1) Examination and layout of exploration program at Red Mountain, Colorado 2) Study of exploration program, Penn Mine, California, including mine rehabilitation
A Syndicate.....	Study of Capula Silver, Mexico
A Syndicate.....	Consultation re San Rafael Mine, Mexico

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P. O. BOX 1550
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Transarizona Resources.....	Management contract of Lakeshore mine project, Arizona (copper) exploration, development and metallurgical research with U.S. Bureau of Mines, Tucson Experimental Station; including open pit development, leach plant location and design, road location, diamond and rotary drill exploration, segregation metallurgy
Transcontinental Resources, Ltd...	1) Valuation of Blue Ledge copper mine, California 2) Examination of properties (28) in western United States
Transworld Mining Syndicate.....	Valuation diamond placers in Brazil; detailed operating study
Ukiah Mines, Inc.	Valuation Rathburn mercury prospect, California
U. S. Army Engineers	Testimony, Beale Air Force Base condemnation re valuation of zinc property.
U. S. Justice Department	Appraisal and expert testimony re stone quarry, Stanislaus National Forest
U. S. Lime Products Company	1) Valuation and exploration of limestone deposits, including study access, roads piers, mining methods and costs, siding construction, and exploration, Lake Shasta, California 2) Exploration for limestone near Auburn, Calif.
Werdenhoff Mining Company.....	Valuation of company's mineral holdings in Idaho; a district geologic study
J. H. Whitney & Company	Valuation of prospects, Puerto Rico; layout and direction of Caguas copper exploration by mapping, geophysical and geochemical work, hydrothermal alteration studies, physical exploration
Yuma Land Company.....	Valuation copper deposits, Yuma test site, Arizona

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P. O. BOX 1550
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Addendum of December 1, 1959

Flintkote Company.....	9) Gypsum exploration project, Canada (in progress) 10) Evaluation of reserves and economics Calaveras Cement Co. California 11) Examination of asbestos deposits, Calif.
Fibreboard Paper Products Co.....	Evaluation of an asbestos deposit reserves, mining and milling methods and outcome estimates, California
Idaho Highway Dept.	Appraisal of mining claims along U.S. Highway #10, Shoshone County, Idaho
Golden, Theodore	mine examination, California
Western Reneline Corp.	Appraisal of limestone and sand deposits Santa Cruz County, California
Pacific Gas & Electric	2) Appraisal of Mt. Diablo area right of way, California 3) Appraisal of Sonora Pass right of way, California
U.S. Dept. of Justice	2) Appraisal of Capehart housing project area, Auburn, California
J.D. Mason, et al	4) Examination of lime project, Arizona
Jack Waite Mining Co.	Study of Aetna quicksilver property, Calif.
Western Knapp Engineering Co...	Examination of Lucky S gold property, Calif.
J. Hoffman	Examination of Mother Lode gold, California

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P. O. BOX 1550
GRAND JUNCTION, COLORADO

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Addendum of December 31, 1960

Blue Diamond Company	Examination of gypsum deposits, Nevada
East Bay Municipal Utility District ..	Appraisal Camanche Reservoir property; rock, clay, Cu-Zn, sand, etc.
Jack Waite Mining Company.....	(4) Exploration of gold property, California
Hunting Geophysical Services, Inc...	Consultation re Papago Indian Reservation
Atlas Mining Company	Mullan area, Idaho
Transarizona Resources, Inc.....	Valuation report including financial projection Lakeshore property, Arizona
J. H. Hamacher, et al	Mercury examination, California
Continental Materials Corp.	1) Consultation re exploration programs in continental United States 2) Field exploration, Arizona, Nevada
See Tee Mining Corp.	1) Examination Creede district, Colorado 2) " Summitville " , Colorado 3) " Crystal Hill & Gap properties, Colorad
N.D. Cote	Kaweah River examination, California
Pacific Cement & Aggregates	Continuing studies, Bonny Doon quarry, Calif
Seattle City Light	Preparation of engineering aspects of legal briefs re Boundary Dam, Washington
Morris Ravine Mining Co.	Evaluation report, drift placer, California
R. L. Smith Lumber Company	Legal testimony
H. Zinder & Associates	Cle Elum quarry problem
Walter Simas	Exploration of St. Thomas asbestos, Calif.
Pacific Gas & Electric	Final reports and expert testimony Mt. Diablo R.O.W. litigation
Guggenheim Bros.	Valuation Mexican manganese property
U. S. Dept. of Justice	Beale Air Force Base, condemnation report, Cal
Kanaranze Ore Company	Examination lead prospect, Nevada
Flintkote Company	12) Siskiyou asbestos, California

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P. O. BOX 1550
GRAND JUNCTION, COLORADO

Addendum of November 1, 1961

City of Seattle Lighting Department	New contract for mine water protection
Lane Minerals	Bohemia District, Oregon
Humphreys Exploration Company	Creede, Colorado
Flintkote Company	South African business studies
Kanaranze Ore Company	Wellington, Nevada
Continental Materials Company.....	New contract re USA & Canada mining development
Oroville-Wyandotte Water District	Condemnation
Sacramento Munitipal Utility District	Condemnation
Pacific Cement & Aggregates	Henry Sands gravel quarry
Train Cabot Associates	Rochester, Nevada
Healy-Granite Construction	Rip-rap
Joe Cannon.....	Alma Placers
The Nevada Company	Mina, Nevada
Moferro, Inc.	Iron, Missouri

Addendum of February 1, 1962

Western Knapp Engineering Co.....	Subcontract-gold prospects-Mexico
Humphreys Investment Co.....	Silver prospects-Colorado
Food Machinery Company	Condemnation-California
Pacific Cement & Aggregate.....	Operation Analysis-San Vincente Quarry
Yehudi Menuhin.....	Quarry nuisance problem

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P. O. BOX 1550
GRAND JUNCTION, COLORADO

Exh. 7

Summary of Cost Distribution - Stage 1

Estimated Time to Complete - 40 Weeks

(a) None

(b) Personal Services:

	Drifting 1500' (38 weeks)	Raising ~~400'~~ 200'	Drilling 3600'	Un-allocated	Total
General Supervision	~~1,708~~	~~462~~	~~138~~	--	~~2,308~~
Supervision (Project Engineer)	4,780	1,292	388	--	6,460
Surveyor	683	185	55	--	923
Surveyor Helper	492	133	40	--	665
~~Geologist~~	~~2,049~~	~~554~~	~~166~~	--	~~2,769~~
2 shifts Miners (38 weeks)	18,732	4,980	--	--	23,712
Mechanic	4,233	1,144	343	--	5,720
Topman (38 weeks) Nipper	3,290	889	267	--	4,446
~~Sampler (38 weeks)~~	~~3,290~~	~~889~~	~~267~~	--	~~4,446~~
Driller	--	--	~~5,760~~ 2592	--	5,760
~~Travel & Subsistence~~	~~1,353~~	~~366~~	~~109~~	--	~~1,828~~
	32,210	8,623	3,685		
Total Personal Services	~~40,610~~	10,894	~~7,533~~	--	59,037

(c) Operating Materials & Supplies	15.300	3.400	875	--	19.575
$190 x 38 weeks	7220	1900			
(d) Operating Equipment	~~10.815~~	~~2.883~~	--	--	13.698
(e) Initial Rehabilitation & Repair	--	--	--	1.000 ?	1.000

(f) None

(g) Miscellaneous:

Mobilization	--	--	--	3,000	3,000
Road Construction	--	--	--	1,240	1,240
Assaying	--	--	--	2,960	2,960
Repair Parts	1,500	400	--	--	1,900
Accounting	~~685~~	~~185~~	~~55~~	--	925
Workmen's Compensation	~~1,963~~	526	~~371~~	--	2,860
Payroll Taxes: FICA	~~1,228~~	330	~~232~~	--	1,790
Unemployment	~~1,177~~	315	~~223~~	--	1,715
	3994	$936	$295		
Total Miscellaneous	~~6,553~~	~~1,756~~	~~881~~	7,200	16,390
Total Stage 1	~~73,278~~	~~18,933~~	~~9,289~~	8,200	109,700
	$59,724	$15,259	$4,885		
Tot =	$39.82/ft	$38.15/ft	$1.35/ft.		
	2.82	2.00			
	$37.00	$36.00			
	$2.00				
	39.00				

Less - Salvage.

— Covers $3000 for mobilizing equipment & material

NORTHERN CONTINENTAL
P. O. BOX 1550
GRAND JUNCTION, COLORADO

Summary of Cost Distribution - Stage 2

Estimated Time to Complete - 23 Weeks

(a) None

(b) Personal Services:

	Drifting 1000'	Drilling 3000'	Unallocated	Total
General Supervision	1,207	120	--	1,327
Supervision (Project Engineer)	3,381	334	--	3,715
Surveyor	483	48	--	531
Surveyor Helper	348	34	--	382
Geologist	1,449	143	--	1,592
Miners (17 weeks)	10,608	--	--	10,608
Mechanic	2,993	296	--	3,289
Topman (17 weeks)	1,810	179	--	1,989
Sampler (17 weeks)	1,810	179	--	1,989
Driller	--	2,160 = 728/pt	--	2,160
Travel & Subsistence	955	95	--	1,050
Total Personal Services	25,044	3,588	--	28,632
(c) Operating Materials & Supplies	10,200	725	--	10,925
(d) Operating Equipment	7,210	--	--	7,210

(e) None

(f) None

(g) Miscellaneous:

Assaying	--	--	2,000	2,000
Repair Parts	1,000	--	--	1,000
Accounting	482	48	--	530
Workmen's Compensation	1,204	176	--	1,380
Payroll Taxes: FICA	753	107	--	860
Unemployment	723	102	--	825
Total Miscellaneous	4,162	433	2,000	6,595
Total Stage 2	46,616	4,746	2,000	53,362

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Summary of Cost Distribution - Stage 3

Estimated Time to Complete - 15 Weeks

(a) None

(b) Personal Services:

	Raising 400'	Unallocated	Total
General Supervision	865	--	865
Supervision (Project Engineer)	2,425	--	2,425
Surveyor	346	--	346
Surveyor Helper	249	--	249
Geologist	1,039	--	1,039
Miners (15 weeks)	9,360	--	9,360
Mechanic	2,145	--	2,145
Topman (15 weeks)	1,755	--	1,755
Sampler (15 weeks)	1,755	--	1,755
Travel & Subsistence	686	--	686
Total Personal Services	20,625	--	20,625
(c) Operating Materials & Supplies	3,400	--	3,400
(d) Operating Equipment	2,882	--	2,882

(e) None

(f) None

(g) Miscellaneous:

Assaying	--	320	320
Repair Parts	400	--	400
Accounting	345	--	345
Workmen's Compensation	990	--	990
Payroll Taxes: FICA	620	--	620
Unemployment	600	--	600
Total Miscellaneous	2,955	320	3,275
Total Stage 3	29,862	320	30,182

Exh. 7b

Exhibit 7(b)

7(b) Personal Services:

General Supervision, 1 week/mo. @ $250/week	$ 4,500
Supervision (Project Engineer) $700/mo.-18 months	12,600
Surveyor, 4 days/mo. @ $25/day $100/mo.-18 months	1,800
Surveyor Helper, 4 days/mo. @ $2.25/hr.	1,296
Geologist, 2 weeks/mo. @ $150/week-18 months	5,400
Miners, 4 @ $3.00/hr. or $156/week-70 weeks	43,680
Mechanic, 1 @ $2.75/hr. or $143/week-78 weeks	11,154
Topman, 1 @ $2.25/hr. or $117/week-70 weeks	8,190
Sampler, 1 @ $2.25/hr. or $117/week-70 weeks	8,190
Driller, 1 @ $2.75/hr. or $144/week-55 weeks	7,920
Travel & Subsistence of Supervisory Personnel:	
Travel, 1600 miles/mo. @ $ .09/mile-18 months	2,592
Subsistence, 6 day/mo. @ $9/day-18 months	972
Total Personal Services	$108,294

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Exh. 7c

EXHIBIT 7(c): Operating Materials & Supplies

Item	Unit Price	Drift 2500' Quantity	Drift 2500' Cost	Drift 2500' Cost/Ft.	Raise 800' Quantity	Raise 800' Cost	Raise 800' Cost/Ft.	Drilling 6600' Quantity	Drilling 6600' Cost	Drilling 6600' Cost/Ft.
Timber	$ 80.00/M	12.5 M	$1,000	$0.40	24/M	$1,920	$2.40			
Pipe w/cuplings										
1"	0.25/Ft.	2500 Ft.	625.	0.25	800 Ft.	200	.25			
2"	0.68/Ft.				800 Ft.	544	.68			
4"	1.06/Ft.	2500 Ft.	2,650	1.06						
Vent Pipe 15"	1.53/Ft.	2500 Ft.	3,825	1.53	800 Ft.	1,224	1.53			
Rail - 30#	250.00/Ton	25 Ton	6,250	2.50						
Fishplates	1.40/Pr.	200 Pr.	280)							
Spikes	0.10 Ea.	2500	250)							
Ties	0.60 Ea.	800	480)	0.50						
Track Bolts	0.10 Ea.	2500	250)							
Car Transfer	520.00	1	520	0.21						
Picks	3.85 Ea.	6	23)							
Shovels	6.15 Ea.	12	74)							
Axes	5.10 Ea.	12	61)							
Doublejacks	5.60 Ea.	6	34)	0.13						
Scaling Bars	12.00 Ea.	6	72)							
Rail Bender	72.35	1	72)							
Powder	19.00/cwt	250 cwt	4,750	1.90	80 cwt	1,520	1.90			
Caps	22.60/M	15 M	339	0.14	4.8 M	108	0.14			
Fuse	11.60/M	135 M	1,566	0.63	43.2 M	501	0.63			
Igniter Cord	13.15/M	10 M	132	0.05	3.2 M	42	0.05			
Igniter Connectors	20.25/M	15 M	304	0.12	4.8 M	97	0.12			
Tamping Sticks	0.88 Ea.	75	66	0.03	20	18	0.02			
Bits & Drill Steel	20.85 Ea.	90 pcs.	1,877	0.75	30 pcs	626	0.78			
Sectional Drill Steel w/cplgs.	26.10 Ea.							50 pcs.	$1,305	0.20
Sectional Drill Steel Shanks	20.00 Ea.							2	40	0.002
Sectional Drill Steel Bits	17.00 Ea.							15	255	0.04
			$25,500	10.20		$ 6,800	8.50		$1,600	0.242

SUMMARY:				
	Drifting	$25,500	Stage 1	$19,575
	Raise	6,800	Stage 2	10,925
	Drilling	1,600	Stage 3	3,400
Total Materials & Supplies		$33,900		$33,900

Exh. 7d

7(d) Operating Equipment

New or used, all to be furnished by applicant.

	Value
1 - Building on slab	$ 1,000
1 - Eimco 12B Mucker	4,000
2 - 315 cfm Compressors	12,000
1 - Battery Trammer w/charger	6,000
4 - Jackleg Drills	4,000
8 - 30 cu. ft. Rocker Dump Cars	2,400
2 - 15" Electric Blowers(new Joy Series 1000)	2,000
1 - 100 KVA-440 Power Plant	5,000
1 - HD-5 Loader	4,500
1 - ½ Ton Truck	2,000
1 - 200 amp. Welder	500
1 - Oxygen-Acetylene Welding Set	100
1 - Atlas Copco Automatic Grinder	200
2 - Air Hoists, Single Drum	900
1 - Water Tank	200
1 - Cleveland - dry duct drill	1,000
	$45,800

Estimated amortization period - 150 weeks ? 3 yrs .240

$45,800 ÷ 150 = $305/week $190/wk

Length of Project, 78 weeks x $305 = ~~$23,790~~

$23,790 ÷ 3300' Underground Advance,
equals $7.21/ft.

Exh. 7e,f,g

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/5/72		120
		220

June 5, 1972

AIR MAIL

Mr. Cecil Flinders
President
Little Rockies Mining and Development Co.
412 West Main Street
Lewistown, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

By the terms of the subject Exploration Contract, as amended, the Certification of Possible Production issued January 29, 1964, and the Lien or Subordination Agreement, dated March 5, 1962, signed by you, Marion S. Heller, Juanita Heller, Margaret Flinders, Frank B. Bryant, Della Bryant, Edward F. Wieglenda, and Vesta Wieglenda, all minerals mined or produced from May 17, 1962, to May 17, 1972, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region I, w/cy MME Form 63
Branch of Budget and Finance
Mr. Kirkemo
130

GLAult/a 6-5-72

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

May 22, 1972

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 1 1972
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220

Dear Mr. Flinders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. ~~Since~~ From May 24, 1971 to May 17, 1972, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

Is the Option agreement with the Niseka Mining Ltd., which was extended to October 26, 1971, still in effect? If not, please explain. Yes ☑ No ☐

2. Since May 24, 1971, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name	*Title*
Address	*Date*

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 25, 1972

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O. M. E.
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MAY 30 1972
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MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Final Royalty Inspection
OME-6236 (gold-silver)
Northern Continental, Inc.
Gold Bug, et al., claims
Phillips County, Montana
Contract 2148

I made a final royalty inspection of the Gold Bug mine on Tuesday morning, May 23, 1972.

The mine appeared to be inactive and the portal to the OME adit was caved, identical to its condition on my last inspection Sept. 14, 1971.

Mr. Ed Wieglenda and Mr. Legg, Niseka Mining Company, arrived at the property during my inspection. Mr. Legg explained to me that his company had been doing some surface exploration and hoped eventually to develop an open-pit mine on the property.

Mr. Legg said that there had been no production from the property during the past year; in fact, his lease from Little Rockies Mining and Development Company expressly forbade production during the period for which royalties would be due to OME.

In respect to your memorandum of May 23, 1972, I have no further comment concerning royalties from the property and deem it advisable for the contract to be closed as of May 17, 1972, the expiration date for OME royalty.

Willard P Puffett
Willard P. Puffett

s Form 7
/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/22/72		120
		220

MAY 23 1972

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

The expiration date of the royalty repayment period of the subject contract is May 17, 1972. We are forwarding an MME Form 63 request for information to Mr. Cecil Flinders, President, Little Rockies Mining and Decelopment Co., for the period May 24, 1971, to May 17, 1972.

We would appreciate receiving any information you may have had since your visit to the mine on September 14, 1971, before we close the contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading file
Mr. Kirkemo
130

GLAult/a 5-22-72

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 21, 1971

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 23 1971

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MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al, claims
Phillips County, Montana
Contract 2148

The Gold Bug mine was deserted when I visited it on Tuesday, Sept. 14, 1971. Buildings near the OME adit portal were locked and in good repair. The portal is obscured by sloughed material, the same as it was when I last visited the property on Aug. 27, 1970.

The Postmistress at Landusky told me that Mr. Legg, from Vancouver, British Columbia, and presumably an officer of Niseka Mining Company, had recently visited the mine with others whom he had attempted to interest in the property. Earlier, a Mr. George Richardson had examined the property, spending several weeks between Dec. 1970 and July 1971. Obviously Niseka Mining Company still controls the property. There has been no production during the past year.

Willard P. Puffett
Willard P. Puffett

cc: Director

COPY
O. M. E.
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United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

May 17, 1971

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkeno

Harold Kirkeno
Chief, Office of
Minerals Exploration

Copy to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since May 18, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

Is the Option agreement with the Niseka Mining Ltd., now extended to October 26, 1971, still in effect? If not, please explain. Yes ☑ No ☐

2. Since May 18, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

Purchaser *(name and address)*	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity *(tons)*	Estimated Grade	Location
Ore			
Concentrates			
Other			

3. Since [illegible] workings *(see* [illegible] *of contract)*, has any production been transported through [illegible] Yes ☐ No ☐

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Cecil Flendrick	*Title* Pres.
Address 412 W. Main Lewistown, Mont. 59457	*Date* 5/24/71

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

FEB 11 1971

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 17 1971

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AIRMAIL

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

Reference is made to our letter dated June 15, 1970, returning to you the copy of the lease with the Niseka Mining Company, Vancouver, British Columbia, and requesting that you advise us in January 1971 whether Niseka Mining Ltd. exercised its option to purchase prior to July 26, 1970, extended the option until January 26, 1971, or dropped the lease.

We will appreciate receiving your prompt reply.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

2-13-71
option has been extended to Oct 26th, 1971 to Niseka Mining Co.
Sincerely yours
Cecil Flinders
Pres.
(copy sent to Region I 2/22/71)

OFFICIAL FILES COPY

2/11/71 120

220

FEB 11 1971

AIRMAIL

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

Reference is made to our letter dated June 15, 1970, returning to you the copy of the lease with the Niseka Mining Company, Vancouver, British Columbia, and requesting that you advise us in January 1971 whether Niseka Mining Ltd. exercised its option to purchase prior to July 26, 1970, extended the option until January 26, 1971, or dropped the lease.

We will appreciate receiving your prompt reply.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

GLAult/a 2-11-71

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I
Mr. Kirkemo
130

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

September 2, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Royalty inspection
OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

I visited the Gold Bug mine on Thursday morning, August 27, 1970. Three men were servicing a bulldozer near the portal of the OME adit. They had recently removed the sloughed material from near the portal and were letting the backed-up water drain. During the past year they had worked in driving about 1300 feet of adit drift and crosscut in an area on the other side of the hill from the OME adit.

In Landusky, Montana, I conferred with Joseph J. Durek, a consultant geologist, who has been retained by the Niseka (Nigh-Seek-Uh) Mining Company. Mr. Durek showed me some maps of the new underground work and these indicated that the work had been done on claims that are north of those subject to the contract. The foreman of operations, Mr. Edward Wieglanda, was ill and had returned to Lewistown, Montana.

Apparently the Niseka Mining Company had exercised at least one of the options with Little Rockies Mining and Development Company, the mine owners, and planned to continue exploration and development. No ore had been produced during the past year.

The Government's lien on production extends until May 17, 1972.

Willard P. Puffett

Willard P. Puffett

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6/15/70

OFFICIAL FILE COPY

Date	Surname	Code
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AIRMAIL

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

JUN 15 1970

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

Thank you for your prompt reply to our letter of May 25, 1970, and the copy of the lease with the Niseka Mining Company, Vancouver, British Columbia.

We have reviewed the lease, made duplicates for this office and our Spokane office, and are returning herewith your copy.

Please advise us whether Niseka Mining Ltd. exercises its option to purchase prior to July 26, 1970, or elects to extend the option until January 26, 1971. If it elects the latter choice, please advise us next January whether the company exercised the option to purchase or dropped the lease.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading file
Mineral Resources
OME file
OME Reading file
OME Region I w/cy Option, 11/26/69
Mr. Kirkemo
130

HKirkemo/gla 6-15-70

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

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O. M. E.
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AIRMAIL

MAY 25 1970

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

1970!

Dear Mr. Flinders:

Thank you for your reply dated May 18, 1960, to our inquiry for information on possible change in ownership or lease on the subject property. Would you please furnish us with two copies of the lease with the Niseka Mining Co., Vancouver, British Columbia.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

6/8/1970

We only have one copy, which is enclosed. I am assuming that you can make duplicates if you need them.

Sincerely yours
Cecil Flinders

OFFICIAL FILE COPY

Date	Surname	Code
5/22/70		120
		220

AIRMAIL

MAY 25 1970

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

Thank you for your reply dated May 18, 1970, to our inquiry for information on possible change in ownership or lease on the subject property. Would you please furnish us with two copies of the lease with the Niseka Mining Co., Vancouver, British Columbia.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I w/copy MME Form 63
Mr. Kirkemo
130

HKirkemo/gla 5-25-70

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

May 15, 1970

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

OFFICIAL COPY
O. E. E.
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Dear Mr. Flinders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region I

(see option)

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 29, 1969, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☑ No ☐
   Is the Mining Lease, dated March 18, 1967, between Little Rockies Mining and Development Company and Little Rocky Mining Co., Ltd., still in effect? If not, please explain. Yes ☐ No ☑ *

   LEASE TERMINATED - OPTION TO PURCHASE GIVEN TO NISEKA MINING CO. - VANCOUVER, B.C.

2. Since May 29, 1969, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Clair Flindt Title Pres.

Address 412 W. Main, Lewistown, Mont. Date 5/18/1970

* Option prohibits production unless purchase completed.

OFFICIAL FILE COPY

Date	Surname	Code
3/2/70		120
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MAR 2 1970

Memorandum

To: Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Enclosed is a copy of the Field Officer's letter of February 26, 1970, forwarding the Operator's copy of the Report of Royalty Review issued in January 1970 to the Little Rockies Mining and Development Co. Also enclosed is a copy of the report for your files.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Region I
OME Reading File
Mr. Kirkemo

GLAult/a 3-2-70

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COPY
O. M. E.
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MAR 2 1970
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OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

February 26, 1970

Mr. Cecil Flinders, President
Little Rockies Mining and
Development Co.
412 West Main Street
Lewistown, Montana 59457

Re: OME 6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

Enclosed is the Operator's copy of a Report of Royalty Review issued in January 1970 on royalties paid under the subject contract up to and including July 14, 1965.

Sincerely,

Enclosure

Willard P. Puffett
Field Officer, Region I
OME

cc: OME (2)

OFFICIAL FILE COPY

Date	Surname	Code
		120
		220

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FEB 24 1970

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Enclosed are the Field Office's and Operator's copies of a Report of Royalty Review, issued in January 1970, on the subject contract.

If you concur in the facts in the report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading file
Mr. Kirkemo
130

GLAult/a FEB 24 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Wash. 99201

FEB 16 1970
INITIALS CODE
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120

February 5, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, OME, Region I

Subject: Summary final report

OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al Claims
Phillips County, Montana
Contract 2148

INTRODUCTION

This report summarizes an OME exploration project for gold-silver ore in a shear zone in syenite porphyry in the Little Rocky Mountains north of Landusky, Montana. The contract, dated May 17, 1962, was for a total estimated cost of $76,300.000, of which the Government would contribute 50 percent, or $38,150.00. The contract was amended twice and was completed in September, 1963. The accepted cost of the completed work was $67,779.40, of which the Government contributed $33,733.70. The Government issued a Certification of Possible Production on January 29, 1964, under the terms of which royalties shall be paid to the Government on all production from the land described in the contract and on all production transported through workings to the cost of which the Government contributed, from May 17, 1962, to May 17, 1972, or until the sum of $33,733.70 is fully repaid with interest at the rate of 6 percent per annum, whichever occurs first. There were 52,659.39 tons of crude ore produced between February, 1964 and June, 1965; average metal content of this ore was 1.06 ounces gold and 37.06 ounces silver per ton. Total precious metal content was 5,563.55 ounces of gold and 195,165.32 ounces of silver. Royalties paid to the Government totalled $16,258.79. Northern Continental, Inc. surrendered their lease on the mine on July 1, 1965. The mine is now idle.

OPERATOR

Northern Continental, Inc., a Montana corporation
P. O. Box 1550
Grand Junction, Colorado

Final Field Rept.

The parent company is: Continental Materials Corporation
4534 West North Avenue
Chicago, Illinois 60639

The mining field office is: Continental Materials Corporation
820 South Ninth Street
Grand Junction, Colorado 81502

PROPERTY

The property consists of four patented claims and two unpatented claims (figure 1) as follows:

Patented claims	Survey No.	Patent No.
Gold Boy	3806	22176
Gold Bug	3807	22177
Mary	3841	22311
Ann	3842	22311

Unpatented claims	Recorded at Malta, Phillips County, Montana	
Bolero	Book 1	Page 375
McTavish	Book 1	Page 376

The Operator had rights of possession of the claims under the terms of a Mining Lease, dated July 10, 1961, granted by Little Rockies Mining and Development Company, 412 W. Main Street, Lewistown, Montana 59457. The following former owners have royalty rights on production from the above-listed claims:

Name	Address
Marion S. Heller and Juanita Heller	Lewistown, Montana 59457
Cecil Flinders and Margaret Flinders	412 West Main Street Lewistown, Montana 59457
Frank B. Bryant and Della Bryant	222 West Washington Street Lewistown, Montana 59457
Edward F. Wieglenda and Vesta Wieglanda	Denton, Montana 59430

Northern Continental, Inc. surrendered their lease on the property effective July 1, 1965.

A lease, with option to purchase, was given to Little Rocky Mining Company, Landusky, Montana, on March 18, 1967, and was still in effect as of May 29, 1969.

The Gold Bug, et al claims are in secs. 15 and 22, T. 25 N., R. 25 E., Phillips County, Montana. They are on the southwestern slopes of the Little Rocky Mountains at altitudes ranging from 4300 to 5500 feet and are about $1\frac{1}{2}$ miles from Landusky, Montana. The claims can be reached from Landusky by following the Forest Service road that extends east and north of town to Hays, Montana.

The underground workings that existed prior to the start of the OME work were listed by the applicant as follows:

Adit	Altitude (feet)	Drift & crosscut	Raise & winze	Stoping
100 level	5030	250 ft.	100 ft. to surface	Unknown
Discovery level (portal caved)	4900	250 ft.	Unknown	Unknown
250 level	4880	50 ft.	None	2,000 cubic ft.
300 level	4820	1200 ft. (partially caved)	60 ft. to 250 level 50 ft. to 350 level -20 ft. in sill	35,000 cubic ft.
350 level	4770	1260 ft.	50 ft. to 300 level	7,000 cubic ft.
400 level	4725	160 ft.	None	None

The generalized locations of workings, with the exception of the 400 level, are shown on figure 1. The extent of the OME workings are shown on figure 2 and the stopes above this level are shown on figure 3.

PURPOSE OF PROJECT

The purpose of the project was to explore by drifting, raising, and long-hole drilling for gold-silver-bearing ore bodies along the strike of the Gold Bug vein system, which occurs in a shattered zone within Tertiary syenite porphyry.

GEOLOGIC JUSTIFICATION

The central part of the Little Rocky Mountains is composed of a laccolith of syenite porphyry that has intruded rocks ranging in age from Precambrian to Late Cretaceous (Emmons, 1908, p. 101-104; Knechtel, 1959, pl. 52). Gold mines have been developed along shear zones in the porphyry near the southwest and southeast margins of the porphyry and, in some places, in adjacent sedimentary rock. Mineralogy of the lode deposits is relatively simple; pyrite, quartz, and fluorite are the most common minerals. Some gold telluride (sylvanite?) has been reported in the Ruby Gulch gold mining district (Dyson, 1939, p. 210) in the southeastern part of the laccolith. The ores are reported to be relatively low grade and, besides carrying gold, contain about an ounce of silver per ton.

Five gold-bearing lodes were found at the Gold Bug mine before 1907 (Emmons, 1908, p. 115). These had been prospected by short adits and open cuts; some stoping had been done. None of the lodes were extensive; the stopes were short and were from a few inches to several feet wide.

Northern Continental, Inc. mapped the geology on the surface and in the accessible underground workings in 1960 and 1961. They reopened several bulldozer trenches along the strike of the Gold Bug vein system and conducted a surface geochemical survey. They found that ore minerals are along fractures and zones ranging from a few inches to several feet in width. The principal zone (Gold Bug) appears to be continuous for several hundred feet along dip and strike, but minor structural components within the zone are variable in attitudes. Ore is in seams of iron oxide and in breccia cemented with iron oxide and quartz. Pyrite and arsenopyrite are present locally; fluorite is not abundant. Ore minerals are free gold and hessite; iron oxides obscure these minerals and assaying is necessary to determine their presence.

The applicant company did not believe the zone could be satisfactorily explored by surface diamond drilling or by sinking a winze. Exploration was justified because:

(1) Sampling of underground workings indicated that ore exists at the lowest explored level of the Gold Bug structure.
(2) Geologic evidence and past exploration indicated that the Gold Bug mineralized structure should extend down dip and laterally.

Smelter shipments from the mine to the East Helena Plant of American Smelting and Refining Company from May 1955 until September 1958 contained 359.42 tons of crude ore and 10.5 tons of concentrate. The crude ore contained 0.71 to 12.71 ounces gold and 21.9 to 729.6 ounces silver per ton. The concentrates contained 5.975 to 6.267 ounces gold and 263.05 to 461.4 ounces silver per ton. Total net smelter returns for the crude ore was $29,790.11 or $828.84 per ton. Total net smelter returns for the concentrate was $5,800.77 or $552.54 per ton. These shipments indicate that the ore in parts of the mine is considerably richer in gold and silver than had been reported by Emmons (1909) or Dyson (1939).

CONTRACT

The contract, No. 2148, dated May 17, 1962, required work to be completed within 24 months. The estimated costs of the original contract work were as follows:

Fixed unit costs		
80 hours bulldozing access road and portal site at $15/hr	$ 1,200.00	
1500 feet drifting at $36.00/ft	54,000.00	
1000 feet of drift timbering at $7.50/ft	7,500.00	
200 feet raising at $36.00/ft	7,200.00	
3600 feet long-hole drilling at $1.00/ft	3,600.00	
1400 samples assayed for gold and silver at $2.00/sample	2,800.00	
Total estimated cost of project		$76,300.00
Government participation at 50 percent		38,150.00

Description of the work

The work included constructing an access road approximately 1800 feet long from the main road to the portal site of the Gold Bug drift and excavate the portal. From the portal site on the Gold Bug vein system, at an elevation of approximately 4570 feet, a drift was to be driven 1500 feet in a northeasterly direction along the vein. In the drift, at a point about 500 feet in from the portal, 3 longholes were to be drilled into each wall of the drift. At intervals of 200 feet, as the drift was advanced, the same procedure for drilling additional long holes was to be followed. Two 100-foot raises were to be driven from the drift at points agreed on by the Operator and the Government.

The contract was amended two times as follows:

Amendment No. 1, dated September 14, 1962, permitted the use of D-6 Caterpillar bulldozer instead of a D-8 Caterpillar bulldozer. The unit cost for bulldozing was reduced from $15.00/hr to $12.50/hr. The total estimated cost of the project was reduced to $76,100.00 and the amount of Government participation was reduced to $38,050.00. A new nondiscrimination article was substituted for the one that appeared in the original contract.

Amendment No. 2, dated May 16, 1963, permitted the substitution of composite car samples for channel samples.

PROJECT WORK

Contract work started on June 20, 1962. Twenty-five feet of adit was completed by the end of June. As of November 8, 1962, the adit had been advanced 565 feet and required 147 feet of timbering.

The crosscut into the left rib at 520 feet from the portal cut an oxidized structure about 10 feet from the main drift. This structure is a fault or fissure filled with breccia and cemented with limonite and iron oxides. Further drifting intersected the northeastern extensions of this zone (figure 2). It was believed that the zone of breccia represents the Gold Bug vein system. This structure terminates against a fault, beyond which is shaley metasedimentary rock about 245 feet thick. Some of the metasedimentary rock is weakly mineralized along faults or zones of breccia.

Ore was intersected about 1200 feet from the portal, and occurs along two parallel fractures which are from 1 to 2 feet apart, and dip 60°-75° SE. Brecciation associated with these fractures is at least as wide as the drift and is most intense between the two parallel fractures. The structural pattern varies in detail, but in general the eastern fracture is the stronger, with openings as much as 3 inches wide, 2 feet deep, and 4 feet long. Some openings are barren; others contain porphyry fragments, silicified rock, and talcy gouge. The highly mineralized material can be recognized by black and greenish sooty minerals deposited on breccia fragments and in vesicles in the porphyry. Tetrahedrite(?) is present. Commonly,

these minerals are covered by a layer of pyrite or marcasite that is 1/4 to 1/2 inch thick and is characterized by botryoidal structure of radiating crystals. Composite mine car samples in this area assayed as much as .28 ounces gold and 21.3 ounces silver per ton (figure 2). This ore zone extends to a point about 1315 feet from the portal.

Crosscuts and long-hole drilling preparatory to driving raises were completed in May, 1963. During this time the Operator, on his own account, extended the adit. The first of two raises was started in the latter part of June, 1963, and long-hole drilling under the contract was completed.

Ore in the No. 1 raise (figure 2) is principally within a pyritized breccia structure along the hanging wall. A 5-foot channel sample across the vein on the portal side of No. 2 raise assayed 7.26 ounces gold and 18.2 ounces silver per ton. The structure is highly brecciated and contains both sulfides and iron oxides with some fluorite. Assays from both raises showed an erratic distribution of ore minerals but selected samples could be taken of high grade material. The vein structure weakens and splits near a contact with shale about 65 feet above the adit level. Longhole drilling indicated that fairly good ore occurs in the shale in the hangingwall of the structure.

The vein structure in Raise No. 2 abruptly steepens from 47° to 80° at 65 feet above the adit, and weakens into close-spaced splits. Long holes into the hanging wall of the raise cut samples of high-grade ore.

Contract work was completed in September, 1963; however, the Operator continued advancing the adit on his own account and also bulldozed several surface cuts to verify geologic projections and to check chemical anomalies.

The acceptable work and the approved costs of the contract work are as follows:

Item	Cost
Bulldozing, 69.6 hours at $12.50/hr	$ 870.00
Drifting, 1500 feet at $36.00/ft	54,000.00
Timbering, 143.52 ft at $7.50/ft	1,076.40
Raising, 200 ft at $36.00/ft	7,200.00
Long-hole drilling, 2749 ft at $1.00/ft	2,749.00
Samples assayed, 786 each at $2.00/ft	1,572.00
Total cost	$67,467.40

The Government has no equity in any equipment at the property.

The completed work explored the Gold Bug vein system at a distance of about 200 feet below old workings on the vein. This work proved the existence of ore-bearing rock at this altitude. The raises and long-hole drilling proved that the mineralized rock extended upward toward the old workings. The additional work by the Operator at his own expense adequately explored the Gold Bug vein system.

The work was done efficiently and few problems developed during the contract. The Operator's monthly narratives were complete and detailed and formed the basis of much of the information listed in this summary report.

REPORTS

The Operator submitted an excellent final report on December 2, 1963. Listed in this report are tonnages of inferred and indicated ore resulting from the contract work and also a tabulation of the actual unit costs of the project.

A Report of Review was issued on December 5, 1963, and the allowable costs as set forth above were approved.

A Report of Royalty Review was issued on May 4, 1965. The total royalty payable at that time was $14,272.36, all of which had been paid. There has been no more recent Royalty Review although royalties were paid on shipments through June 22, 1965.

PROJECT RESULTS

The project work was successful in intersecting the Gold Bug vein system about 200 feet below old workings, and proved that it contained gold and silver in minable amounts (figure 2). The applicant calculated that there were 14,800 tons of indicated ore in a zone that extended from 50 feet below to 135 feet above the OME adit. His calculations were for ore worth $20.00 per ton in place assuming that gold is $35.00 per ounce and silver $1.20 per ounce. Production proved that the ore actually mined was about $3\frac{1}{2}$ times as great as this and that the value of the ore was nearly $80.00 per ton.

The Government issued Certification of Possible Production on January 29, 1964. The Government's lien on production extends from May 17, 1962, to May 17, 1972, or until the sum of $33,733.70 is fully repaid with interest, at the rate of 6 percent per annum, whichever occurs first.

PRODUCTION

The Operator continued exploration and development after the end of OME contract work. Shipments of crude ore to the East Helena plant of American Smelting and Refining Company began in February, 1964, and continued through June, 1965, (Table I), after which the Operator relinquished his lease on the property. Crude ore sold totalled 52,659.39

Table I.--Production data from Gold Bug mine
(Compiled from smelter settlement sheets)

Date of shipment	Dry tons	Gold oz/ton	Silver oz/ton	Copper Percent	Zinc Percent	Net smelter returns	OME Royalty
2/29/64	19.991	1.1675	51.9	0.05	1.3	$ 1,650.65	$ 82.53
3/6/64	.943	25.783	719.445	0.05	1.3	1,579.31	78.97
3/9/64	67.105	1.8075	58.7			7,494.31	374.72
3/4/64	82.417	1.0075	49.3		1.3	6,180.15	309.01
5/25/64	72.923	1.050	62.75	0.05	2.1	6,766.21	338.31
5/26/64	72.307	1.015	52.8	0.10	1.3	5,759.08	287.95
5/26/64	78.253	0.945	48.1	0.05	1.3	5,611.79	280.59
5/26/64	76.265	1.220	63.15	0.05	1.6	7,522.87	376.14
5/27/64	58.839	1.395	73.35	0.05	1.6	6,852.82	342.64
5/27/64	49.604	1.225	62.2	0.10	1.1	4,842.01	242.10
6/17/64	74.159	1.21	49.3	0.05	1.9	6,044.89	302.24
6/18/64	98.602	1.3425	50.0	0.05	0.8	8,528.79	426.44
6/30/64	78.344	1.760	30.2	0.05	1.3	5,941.36	297.07
6/30/64	68.802	1.812	30.1	0.05	1.3	5,321.48	266.07
7/30/64	71.575	1.4025	29.0	0.10	1.6	4,524.34	226.22
8/5/64	78.657	1.670	27.85	0.05	1.2	5,522.81	276.14
8/5/64	70.053	1.535	27.2	0.05	0.90	4,565.41	228.27
8/13/64	74.626	1.270	36.175	0.05	1.0	5,054.86	252.74
8/13/64	82.607	1.215	30.8	0.05	1.1	4,916.32	245.82
8/13/64	73.732	1.2375	42.4	0.05	1.2	5,471.26	273.56
9/1/64	84.672	1.485	33.7	0.05	1.5	6,045.37	302.27
9/3/64	75.341	1.6875	36.55	0.05	1.3	6,124.22	306.21
9/3/64	69.967	1.790	37.15	0.05	1.3	5,964.50	298.23
9/3/64	55.785	1.410	36.85	0.05	1.5	4,057.69	202.88
9/18/64	77.564	2.0675	46.25	0.05	1.3	8,158.89	407.94
9/18/64	82.663	1.470	56.15	0.05	1.2	8,120.18	406.01
9/24/64	75.700	1.365	61.1	0.05	1.2	7,632.13	381.61
9/24/64	66.779	2.0975	64.275	0.05	1.2	8,535.24	426.76
9/24/64	85.565	1.905	60.295	0.05	0.90	10,003.81	500.19
10/15/64	52.146	1.810	57.0	0.05	1.0	5,731.10	286.56
10/15/64	47.401	1.69	52.05	0.05	1.2	4,739.17	236.96
10/28/64	82.315	0.8725	33.25	0.05	1.1	4,227.69	211.38
10/28/64	81.099	1.090	43.8	0.05	1.3	5,765.56	288.28
10/28/64	84.870	1.075	42.3	0.05	1.1	5,835.41	291.77
10/28/64	83.619	1.335	39.75	0.05	1.2	6,189.52	309.48
10/28/64	76.161	1.325	40.95	0.05	1.3	5,723.05	286.15
11/3/64	79.511	1.215	40.85	0.05	1.1	5,689.41	284.47
11/13/64	83.100	0.720	32.85	0	0.90	3,835.58	191.78
11/13/64	78.052	1.145	42.3	0	1.1	5,546.14	277.31
11/13/64	53.608	0.9625	39.6	0.05	1.1	3,321.79	166.09
11/13/64	70.540	0.690	26.8	0.05	1.2	2,664.80	133.24
11/19/64	78.816	0.6525	25.9	0.05	1.1	2,802.44	140.12
11/20/64	83.101	0.6125	26.55	0.05	1.2	2,911.66	145.58
12/3/64	79.947	0.620	31.85	0.05	1.4	3,326.06	166.30
12/3/64	70.836	0.630	33.65	0.05	1.1	3,115.27	155.76
12/4/64	77.109	0.7125	30.6	0.05	1.0	3,321.20	166.06
12/4/64	62.378	0.610	26.35	0.05	1.0	2,161.37	108.07
12/16/64	70.947	0.480	20.7	0.05	0.6	1,669.87	83.49
12/23/64	73.117	0.540	27.8	0.05	0.9	2,485.85	124.29
12/23/64	71.204	0.500	26.6	0.05	1.2	2,241.47	112.07
12/23/64	69.805	0.460	23.8	0.05	1.3	1,856.58	92.83
12/23/64	74.803	0.4725	21.35	0.05	0.80	1,797.43	89.87
12/24/64	47.930	0.4225	21.15	0.05	0.90	1,065.08	53.25
12/26/64	41.416	0.420	23.4	0.05	0.7	1,022.90	51.15
1/13/65	43.976	0.570	21.8	0.05	0.9	1,210.78	60.54
1/13/65	80.634	0.7125	26.85	0.05	1.1	3,104.37	155.22
1/13/65	75.167	0.6625	26.2	0.05	1.1	2,714.14	135.71
2/9/65	79.890	0.595	22.3	0.05	0.9	2,335.48	116.77
2/9/65	74.382	0.550	19.9	0.05	0.8	2,406.33	120.32
2/9/65	53.052	0.930	23.4	0.05	0.7	2,184.49	109.22
2/24/65	74.734	0.890	27.95	0.05	0.8	3,398.14	169.91
2/24/65	74.280	0.725	24.55	0.05	0.8	2,676.39	133.82
2/24/65	39.771	0.780	26.35	0.05	0.9	1,578.12	78.91
4/14/65	73.079	0.995	35.3	0.05	0.6	4,214.39	210.72
4/14/65	76.077	1.005	35.7	0.05	0.8	4,458.68	222.92
4/14/65	102.382	0.980	37.25	0.05	0.9	6,113.95	305.70
5/14/65	83.024	0.630	26.55	0.05	0.6	2,948.79	147.44
5/14/65	82.970	0.570	24.6	0.05	0.8	2,589.76	129.49
5/14/65	81.099	0.5525	24.85	0.05	0.9	2,515.30	125.77
6/8/65	79.066	0.530	24.15	0.05	0.6	2,334.27	116.71
6/8/65	87.466	0.490	21.65	0.05	0.8	2,199.75	109.99
6/9/65	79.082	0.950	38.2	0.05	0.8	4,742.42	237.12
6/9/65	82.404	0.955	38.05	0.05	0.9	4,939.44	246.97
6/9/65	45.743	0.915	37.95	0.05	0.9	2,671.89	133.59
Total	52,659.39					$325,176.03	$16,258.79

Total gold = 5,563.55 ounces

Total silver = 195,165.32 ounces

Average ounces gold per ton = 1.06

Average ounces silver per ton = 37.06

tons that averaged 1.06 ounces gold and 37.06 ounces silver per ton. Lead and copper values were nil; however, the ore averaged about 1 percent zinc for which there was no payment. There is no unsold ore stockpiled at the mine.

ROYALTIES

The royalties due and paid to the Government are listed on Table I. Total royalties paid are $16,258.79. There are no unpaid royalties due to the Government.

SUMMARY

The work was successful in finding extensions of the Gold Bug vein below the old workings. There has been more than 52,000 tons of ore sold that averaged 1.06 ounces gold and 37.06 ounces silver per ton. The ore came from stopes that bottom from 35 to 80 feet above the OME adit (figure 3).

There are many large inclusions of metasedimentary rock within the syenite porphyry (figure 2). Ore occurs both in these rocks and in sheared porphyry. Details are lacking on the geology of the stoped areas.

The mine is now idle. There is a modest tonnage of milling grade ore above and below the OME adit level. Deeper exploration and development would have to be from drilling or by sinking an underground shaft.

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Emmons, W. H., 1908, Gold deposits of the Little Rocky Mountains, Montana: U. S. Geol. Survey Bull. 340, p. 96-116.

Knechtel, M. M., 1959, Stratigraphy of the Little Rocky Mountains and encircling foothills, Montana: U. S. Geol. Survey Bull. 1072N, p. 723-752.

Willard P. Puffett

Willard P. Puffett

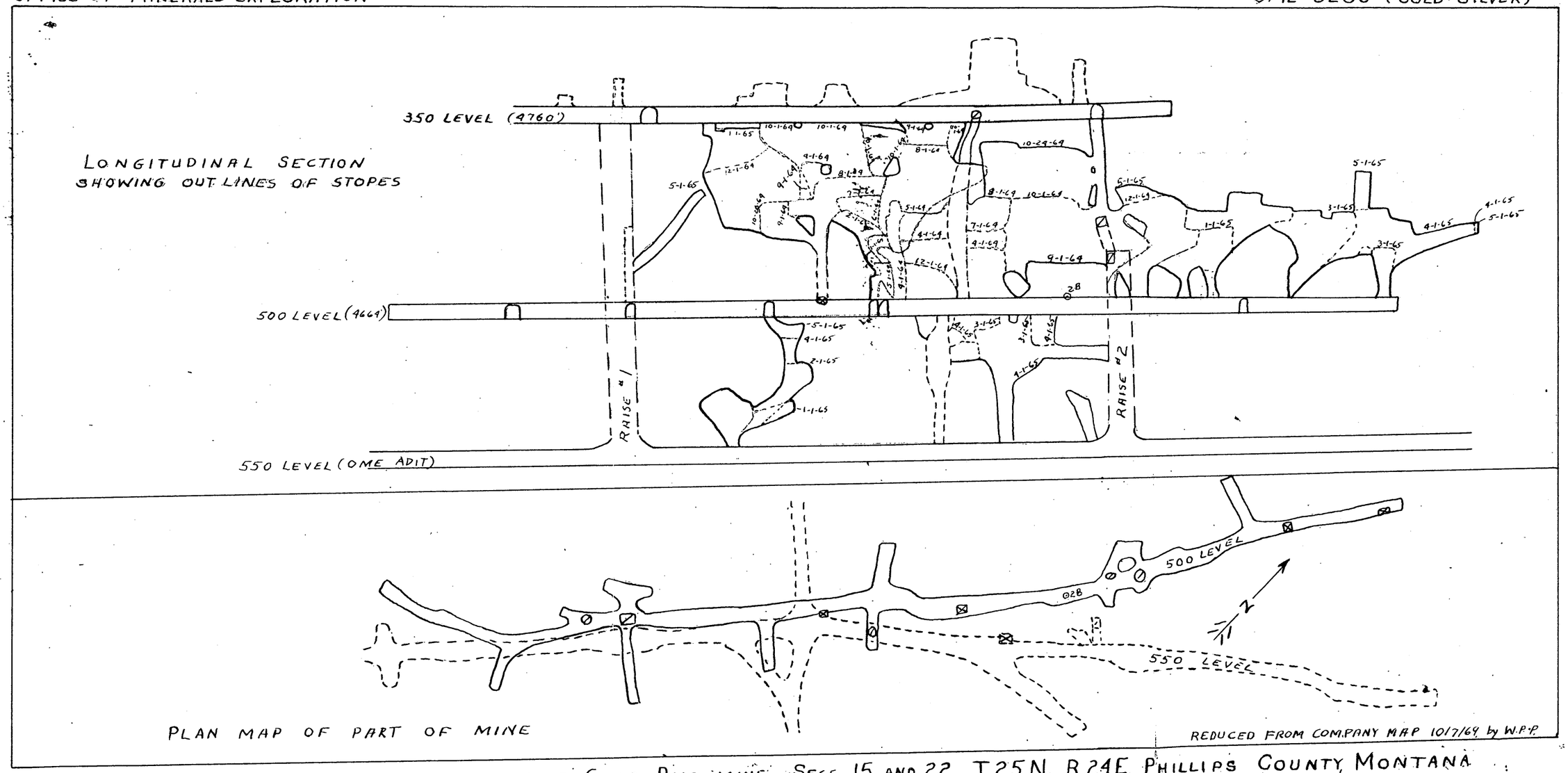

FIGURE 3 STOPE MAP AND PARTIAL PLAN MAP OF GOLD BUG MINE, SECS. 15 AND 22, T25N., R24E, PHILLIPS COUNTY, MONTANA

50 0 50 100 150 200 FEET

OME-6236 Contract 2148
Northern Continental, Inc.
SUMMARY FINAL REPORT 2/5/70
Maps - Figures 1, 2, and 3

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
August 19, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 21 1969

INITIALS	CODE
gla	130
	120
HK	120
	220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Royalty Inspection
OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

I visited the Gold Bug mine on Monday morning, August 11, 1969. The mine was deserted and appeared to have been inactive for several months at least. The several sheet metal buildings near the now-caved portal of the lowermost adit are in good repair and are locked. Diamond drill core is stored in uncovered boxes near one of the buildings. The hillslope above the adit portal has sloughed and covered the opening to the adit. A strong flow of water emerges from the sloughed material; I could not determine if the water is coming from the adit or from a source higher on the hill. Cables cross the access roads to the 350-level adit and to the lower (OME) adit and "No Trespassing" signs are posted.

The postmistress at Landusky said that there had been some work on the hill above the Gold Bug mine during the past year. Her son(?) said that some long holes had been diamond drilled at the Hawkeye property which is higher on the slope than the Gold Bug mine.

There are many fresh-appearing bulldozer trenches on the slopes above the Gold Bug mine; I could not tell if these were on the property covered by the contract but assume that they are not.

There is no evidence of recent production from the Gold Bug mine.

Willard P. Puffett
Willard P. Puffett

Distribution:
OME (Orig. & 1)
Docket
CPF

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

MAY 27 1969

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

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copy to R-I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 24, 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [✓]

   Is the Mining Lease, dated March 18, 1967, between Little Rockies Mining and Development Company and Little Rocky Mining Co., Ltd., still in effect? If not, please explain. Yes [✓] No [ ]

2. Since _____, has there been any production from the land subject to the contract? Yes [ ] No [✓]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes [ ] No [ ]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name: Little Rockies M. & Dev. Co.

Title: Pres.

Address: 412 W. Main, Lewistown, Mont.

Date: 5/29/69

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

May 20, 1968

Mr. Cecil Flinders
President
Little Rockies Mining
and Development Co.
412 West Main Street
Lewiston, Montana 59457

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 27 1968
INITIALS | OME
FEO | 110
Jla | 130
| 220

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 1967, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since May 1967, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Cecil Flinders Title Pres. Little Rockies Mining & Dev. Co.

Address Jewestown, Mont. Date 5/24/1968

OFFICIAL FILE COPY

Date	Surname	Code
9/19/67	Kirkham	120
"	Johnson	110
		220
	Long	140
		110
		220

AIRMAIL

Mr. Cecil Flinders
President
Little Rockies Mining and Development Co.
412 West Main Street
Lewistown, Montana 59457

Re: OMR-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

We apologize for not replying earlier to your letters dated July 12 and September 6, 1967. Please accept our thanks for sending us a copy of the Mining Lease dated May 18, 1967, between Little Rockies Mining and Development Company and Little Rocky Mining Co., Ltd.

Under Article 1(a) of the Lien and Subordination Agreement, you agreed that ". . . if the Operator's (Northern Continental, Inc.) interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract . . . ."

The Government's rights to royalty under the terms of the OMR contract with the previous lessee are not mentioned in the lease with Little Rocky Mining Co., Ltd. In fact, a statement on page 2 of the lease reads as follows:

> "And Whereas the Lessor has warranted to the Lessee that it has full right, title and interest in and to the Premises and the right to deal with and alienate the same free and clear of adverse claim or encumbrance."

In our letter to you dated June 12, 1967, a copy of which is enclosed, we referred to Article 4 in the Lien and Subordination Agreement executed March 5, 1962, by Little Rockies Mining and Development Company. Please note that you are obligated to give advance notice to any subsequent lessee of the Government's rights under this agreement. In reference to Article 1 of the agreement, we stated that "If the Government's rights to royalty are not protected in subsequent leases of the property, the Government will look to the owner for payment."

FROM SOLICITOR
SEP 22 1967
FOR SIGNATURE

RECEIVED
SEP 21 1967
Division of Mineral Resources
and Genenral Legal Services

23263

The term "its successor" in Article 14(i) under Special Agreement Concerning Royalty refers to anyone, whether assignee, lessee, or owner, who becomes obligated to pay royalty to the Government on any production from the property or on production transported through workings completed on the OME project.

We hope these explanations of measures to ensure payment of the Government's interest in the property are clear.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I w/cys Mr. Flinders' letters July 12 and Sept. 6, 1967
Mr. Long, Room 6554, Interior
Mr. Kirkemo
130

HKirkemo/gla 9-19-67

412 West Main Street
Lewistown, Montana 59457
September 6, 1967

Frank E. Johnson, Chief
Office of Minerals Exploration
U.S. Department of the Interior
Washington, D. C. 20242

Re: OME - 6236 - Northern Continental, Inc., Contract 2148

Dear Mr. Johnson:

Enclosed please find a photocopy of a letter I wrote you on July 12, 1967.

Would you please answer the questions I asked you in this letter? In the event the company that has an option on our mining property should buy and start production, we will both have to know where we stand.

An immediate reply will be much appreciated.

Sincerely yours,

Cecil Flinders

Cecil Flinders - President
Little Rockies Mining and Development Co.
412 West Main St.
Lewistown, Montana 59457

CF/mf

Enc. - 1

Copy made w/enclosure, for Region I 9/19/67

412 West Main Street
Lewistown, Montana 59457
July 12, 1967

Re: OME - 6236
NORTHERN CONTINENTAL INC
CONTRACT 2148

Frank E. Johnson, Chief,
Office of Minerals Exploration
U. S. Department of the Interior
Washington, D.C. 20242

Dear Mr. Johnson:

Enclosed please find copy of option agreement on our property as requested by you in your letter of June 12th.

It has been our understanding that if further production from our property is made, that royalty payments would be made by Continental Materials Corp., who obtained the O. M. E. loan. We understand that if they do not make payments, we will be held responsible. You quote Article 1 of the lien to support this.

Would you please explain to us Articles 5-b and 1-c. Doesn't this make Continental Materials Corp. (the Operator who obtained the loan) responsible? We would like to know, because it affects our title and if the Company, who has an option on our property, exercises it, they, as well as our Company will want to know.

Also, explain Article 14-i-"Special Agreement concerning Royalty". What is meant by "or its successor" in line 5?

We have always been under the impression that Continental who obtained the loan, would have to pay royalty on production from our mine, even if they no longer operated the mine, if there was any production, until the loan was paid in full, or 10 years had elapsed. We would not have signed the subordination agreement if it had been otherwise.

Your advices will be appreciated.

Sincerely yours,

Cecil Flinders, President
Little Rockies Mining and Development Co
412 West Main Street
Lewistown, Montana 59457

CF/mf

4[illegible] West Main Street
Lewistown, Montana 59457
July 12, 1967

6236
Northern Continental
Certified

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 17 1967
INITIALS | CODE
by | 12 M
RJ | 40
220
(63 file)

Frank E. Johnson, Chief,
Office of Minerals Exploration
U. S. Department of the Interior
Washington, D.C. 20242

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Your advices will be much appreciated.

Sincerely yours,

Cecil Flinders

Cecil Flinders, President
Little Rockies Mining and Development Co.
412 West Main Street
Lewistown, Montana 59457

CF/mf

cy to R-III 9/19/67

MINING LEASE

THIS AGREEMENT, dated March 18, 1967, between LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY, a Montana corporation hereinafter called the Lessor, and LITTLE ROCKY MINING CO. LTD., a British Columbia corporation, hereinafter called the Lessee,

W I T N E S S E T H :

THAT WHEREAS the Lessor holds the following patented and unpatented claims in Phillips County, Montana:

Patented Claims:

Name	Survey No.
August Group Mining Claims	
Ella C. and Liebert Fraction Lodes	8927
August and Little Ben Lodes	8878
Nina Lode	9355
Cumberland, Blue Bird, King, Granger & Big Blow Out Lodes	8999
Queen Rose, King Peter, Edmonton and Susie Lodes	9357
Nightshade Lode	10041
Morning Glory Lode	9356
Nightingale No. 2 Lode	10081
Gold Bug Group	
Mary Lode	3841
Ann Lode	3842
Gold Boy Lode	3806
Gold Bug Lode	3807
August No. Three Mill Site	9087
August No. One Mill Site	9085
August No. Two Mill Site	9086
Sunny Jim Lode	10044
Treasurer Lode	10045

Unpatented Claims	Recorded at Book	Page
Cuba	1	340
Bolero	1	375
Gem	1	445
McHuber	1	430
McTavish	1	376
Margie	1	282

and all the foregoing claims are hereinafter called the "Premises";

AND WHEREAS the Lessor has warranted to the Lessee that it has full right, title and interest in and to the Premises and the right to deal with and alienate the same free and clear of adverse claim or encumbrance,

NOW THEREFORE, the parties agree as follows that:

1. Consideration. For and in consideration of the sum of One ($1.00) Dollar, the receipt of which is hereby acknowledged by the Lessor, and the covenants and agreements which the Lessee hereby agrees to pay, keep, and perform, all in the manner hereinafter set forth, the Lessor does hereby lease the Premises to the Lessee upon the terms and conditions and for the purposes hereinafter set forth.

2. Undertakings of the Lessee. With respect to all claims:

(a) The Lessee will enter upon the Premises and conduct between the date hereof and September 1, 1967, examinations and investigations, including such geological, geochemical or geophysical surveying, drilling, trenching, sampling or assaying as it shall deem necessary or convenient to determine whether the Premises can be operated and mined economically, and the Lessee covenants and agrees that it will expend for such purpose during such period not less than Fifty Thousand Dollars ($50,000.00 U.S.). Lessee shall mine no ore for commercial purposes, but may remove from the premises any amount of ore deemed by

Lessee to be necessary for assaying and testing purposes.

(b) The Lessee will pay or cause to be paid all property taxes finally assessed against each patented claim embraced by this Agreement on the date such taxes are payable and while this Agreement is in force provided only that the Lessor shall give the Lessee prompt and due notice of any levies, assessments or tax claims affecting the Premises or part thereof which come to its attention and upon condition that all taxes due and owing at the date hereof have been fully paid and satisfied by the Lessor and others, a condition which the Lessor warrants and represents has been fulfilled.

(c) The Lessee will perform labor or make improvements of One Hundred Dollars ($100.00) with respect to each unpatented claim subject to this Agreement by July 1 of each year until a patent has been issued therefor and while this Agreement is in effect, and will file affidavits stating that such work was performed, provided only that the said unpatented claims are at the date hereof in good standing and that One Hundred Dollars ($100.00) of labor has been performed or improvements made and affidavits filed for the year ended September 1, 1966 with respect to each unpatented claim included in the Premises, a proviso which the Lessor warants and represents has been fulfilled.

3. Lease. The Lessor hereby leases the Premises to the Lessee until July 1, 1968, or until this Agreement is otherwise terminated, together with:

(a) all minerals and mineral rights in the Premises; and

(b) the right and privilege exclusive of all others including the Lessor to enter upon the Premises and to retain, explore, examine and investigate the minerals thereof as aforesaid; and

(c) all personal property and fixtures now or hereafter attached to or used in conjunction with mining the Premises, save and except that certain steel office building now located by the portal of the mine now located on the Premises, and the Lessee will return to the Lessor all such personal property and fixtures in the same condition as the Lessee receives them, ordinary wear and tear and deterioration excepted, unless the option herein is exercised, in which case all such personal property and fixtures shall be conveyed by Lessor to Lessee as one of the considerations for the purchase price hereinafter specified. In the event the option is exercised, the Lessor will cause the owner of the steel office building to remove the same from the Premises without cost to the Lessee , and the Lessor will indemnify the Lessee against any cost or expense which Lessee might need to expend in order to have said building removed in the event Lessor does not do so.

(d) so much of the use of the surface, surface rights, structures, improvements, water rights, rights-of-way, easements, tenements, hereditaments and appurtenances in, on or in any way now or hereafter appertaining to the Premises as may be necessary or convenient to explore the Premises, or as may be within the power of the Lessor to set over unto the Lessee.

The Lessee hereby accepts this Lease. Upon termination of this Agreement, the term of this Lease shall end. The Lessor warrants that it has title to the Premises and they are not subject to any outstanding interest, encumbrance, prior lease or valid adverse claim.

4. Option. At any time on or before the 1st day of July, 1968, the Lessee shall have the right, privilege and option to purchase the Premises from the Lessor, and all its right, title and interest therein, free and clear of all encumbrance, and the right to require and obtain from the Lessor such deeds, transfers, assignments, conveyances or other documents of title or assurances as it may for the purpose require for, and in consideration of the sum of either:

(a) Four Hundred Thousand Dollars ($400,000.00 U.S.) cash paid to the Northwestern Bank of Lewistown, Montana, as escrow agent, for disbursement to Lessor upon receipt of written notice from Lessee that Lessor has delivered to Lessee an abstract of title showing merchantable title in Lessor as provided in Subsection (d) hereof; or

(b) Five Hundred Thousand Dollars ($500,000.00 U.S.) payable One Hundred Thousand Dollars ($100,000.00 U.S.) upon completion of documentation transferring title to the Premises to the Lessee and the balance of Four Hundred Thousand

Dollars ($400,000.00 U.S.) payable thereafter by Forty-Five Thousand Dollars ($45,000.00 U.S.) on the first six-month anniversary of the down payment, One Hundred Fifty-five Thousand Dollars ($155,000.00 U.S.) on the second such six-month anniversary and One Hundred Thousand Dollars ($100,000.00 U.S.) on the third and fourth such six-month anniversaries, such deferred installment payments together with interest at the rate of six per cent (6%) per annum on any installments which fall into arrears, shall be secured by a charge or mortgage of the Premises drawn in form satisfactory to the attorneys of the Lessor but at the expense of the Lessee, and containing a privilege to the Lessee to prepay the said installments in whole or in part at any time without notice or bonus, and a right to the Lessor to declare the whole deferred balance due and payable upon default in payment of any installment as aforesaid, and containing the personal guarantee and covenant of the directors of the Lessee of the due performance and payment of the charge or mortgage, and providing that unless otherwise instructed in writing by the Lessor the Lessee may pay and satisfy its deferred payment obligations by tender to the Lessor at the Northwestern Bank of Lewistown, Montana.

(c) Exercise of this option and election of the method of payment in either the manner provided by Subsections (a) or (b) above shall be made

by notice in writing from the Lessee to the Lessor. Upon receipt of such notice, the Lessor shall promptly deposit with the Northwestern Bank of Lewistown, as escrow agent, a copy of this agreement, and shall promptly execute and deliver to said escrow agent a grant deed executed, acknowledged and entitled to record, with proper documentary stamps attached thereto conveying the Premises to Lessee. An escrow instruction shall be promptly executed by both Lessor and Lessee in such form as is acceptable to said bank as escrow agent and in conformity with the terms of this Agreement. If the manner of payment provided by Subsection (a) above is elected and the $400,000 paid to said escrow bank, the Lessee shall be entitled to immediate delivery of said deed and the escrow bank shall be authorized to deliver the $400,000 to Lessor at such time as said escrow agent shall have received a written opinion by Lessee's counsel advising that abstracts of title disclose a merchantable title to the Premises in Lessor, as provided in Subsection (d) hereof. If the manner of payment provided by Subsection (b) hereof is elected, the deed shall be delivered to the Lessee when the One Hundred Thousand Dollar ($100,000) payment is made to the escrow agent and said escrow agent shall have received a mortgage on the Premises securing to Lessor the balance of purchase price on the terms provided by Subsection (b) above. Said $100,000 payment shall be delivered to Lessor at such

time as said escrow agent shall have received a written opinion by Lessee's counsel advising that abstracts of title disclose a merchantable title in Lessor, as provided in Subsection (d) hereof.

(d) Upon exercise of this option by the Lessee, the Lessor, at Lessor's expense, shall provide to Lessee an abstract of title prepared by a licensed and bonded abstracter and certified as of a date later than the date of exercise of the option. Lessee shall have forty-five (45) days from the receipt of such abstract within which to have said abstract examined by attorneys of Lessee's choosing and at Lessee's expense. Within said forty-five-day period, Lessee shall provide Lessor and the escrow bank with a copy of such title opinion, or, if no such title opinion is provided within said time, said escrow bank is authorized to disburse to Lessor any moneys theretofore deposited with it by Lessee as payment upon the purchase price. In the event such title opinion shall reveal that there is any defect in the merchantability of Lessor's title, then Lessor shall promptly proceed at Lessor's expense to clear any such defect of title and have the record thereof included within the abstract of title. Lessor shall have no responsibility for any defect which is not specified in any such written opinion. In the event Lessor shall not have caused any such defect of title to be cured within six (6) months from the date of receipt of such title opinion,

then Lessee may either

1) Rescind this agreement and obtain return from the escrow agent of any money deposited with such agent upon the purchase price, or

2) Take such action as may be necessary to clear any defect in title and obtain reimbursement for the cost thereof, including attorneys' fees, from the funds held by said escrow agent, and the balance thereof shall then be deliverable to the Lessor by the escrow agent.

5. Termination by the Lessor. The Lessor may terminate this Agreement in accordance with the provisions of Paragraph 14 in case of default by the Lessee in failing:

(a) to perform work for the purpose of examining and investigating the Premises, including work of any nature performed at the Premises or elsewhere to a total value of Fifty Thousand Dollars ($50,000.00 U.S.) between the date hereof and September 1st, 1967, as set forth in Clause 2 (a) hereof.

(b) to assume full and sole responsibility for the operation and direction of the work the Lessee shall do under this Agreement, including:

(i) employing or otherwise furnishing workmen upon a wage basis, a profit-sharing basis, or any other basis, as the Lessee may determine

(ii) recognizing that there shall be no privity of contract between the Lessor and any employee of the Lessee but that all the Lessee's business shall be transacted by and

in the name of the Lessee, and that no miner or laborer employed by the Lessee shall, under any circumstances, be deemed the employee of the Lessor;

(iii) meeting requirements of the Workman's Compensation Act of Montana, and specifically assuming all risk and liability for all accidents or injuries to the Lessee and its employees or others arising out of the Lessee's operation, and being liable directly for all contributions and taxes required to be paid and/or withheld by the employer pursuant to State and Federal laws, and/or State Old Age Benefit and Insurance Laws, and/or the Federal current tax payment, all in respect to the Lessee's employees, and accepting exclusive liability for said contributions and/or tax;

(iv) the timely paying of all labor employed by the Lessee at the Premises;

(v) holding the Lessor harmless from all loss, damage and liability from all liens for labor, services, materials or supplies furnished to the Lessee; and

(vi) permitting the Lessor to post and thereafter maintain and keep posted notices of the Lessor's non-responsibility for such liens.

(c) to operate the Premises in a workmanlike and minerlike manner.

(d) upon reasonable request to make available to the Lessor for examination or copying:

(i) all maps, reports, and other data resulting from the examination and investigation of the Premises, including all surveys, drill logs and geological reports; and

(ii) all records and books of account relevant to any question which may arise under this Agreement.

(e) To carry comprehensive liability and property damage insurance including operation, protective and contractual liability coverages, with bodily injury limits of One Hundred Thousand Dollars ($100,000) each person and Three Hundred Thousand Dollars ($300,000) each occurrence; and property damage limits of Fifty Thousand Dollars ($50,000) each occurrence, and One Hundred Thousand Dollars ($100,000) aggregate operations, One Hundred Thousand Dollars ($100,000) aggregate protection, and One Hundred Thousand Dollars ($100,000) aggregate contractual. Any exclusion of insurance pertaining to (1) damage to underground property, (2) collapse of structures, and (3) damage resulting from explosion of blasting, shall be deleted.

(f) To perform any covenant or condition of this Agreement to be performed by the Lessee.

6. Patent Proceedings. The Lessee may apply for the issuance of patent upon all or any unpatented claims included in the Premises and take all steps necessary or convenient thereto, all in the Lessor's name but at the Lessee's expense. The Lessor will cooperate in such action by the Lessee. Upon issuance of patent, each such patented claim shall remain part of the Premises.

7. The Lessor's Undertakings. The Lessor:

(a) will deliver to the Lessee all reports, documents, information, and all maps and other information in writing under the Lessor's control relating to the minerals located under or upon, or the geological or engineering features or the location or title of the Premises;

(b) grants to the Lessee any easements for ingress and egress, tunnels, telephone and electric lines and pipe lines to the Premises over and through all lands and roads now or hereafter owned or possessed by the Lessor;

(c) will do all acts and execute all documents requested by the Lessee as may be necessary or convenient to effectuate any covenant of the Lessor.

8. Taxes. All taxes imposed upon the Lessee based upon its activities on any part of the Premises which are the subject of this Lease shall be borne by the Lessee.

9. Further Assurances. The Lessee may take such action as it deems necessary or convenient to hold and defend its interest in the Premises against all persons, and the Lessor will cooperate with the Lessee in such action.

10. Surrender. The Lessee at any time by notice may surrender any one or more claims leased hereunder, and all rights and obligations under this Agreement with respect to such surrendered claims will thereupon terminate, and the Lessee may surrender all of such claims and terminate this Agreement, except that the Lessee may not surrender any unpatented claim during the period from July 1 to September 1 of any year unless prior to the effective date of such notice One Hundred Dollars ($100.00 U.S.) of labor has been performed

or improvements made with respect to the surrendered unpatented claim during the year ending on September 1 of such year and affidavits in accordance with Clause 2 (c) hereof have been filed. Such surrender will not reduce the purchase price under paragraph 4 hereof.

11. Removal of Property. During the term of the Lease and for 90 days after termination of this Agreement, the Lessee may remove all fixtures and personal property placed or erected on the Premises by the Lessee during the term of the Lease and shall be charged no rent during said 90-day period.

12. Timber. Lessee may cut and use such timber from any of the patented mining claims as may be necessary for Lessee's operations on the Premises, provided that no timber shall be cut or sold for commercial purposes.

13. Notices. All notices shall be in writing. All notices to the Lessor may be directed to or care of:

Little Rockies Mining and Development Company
412 West Main Street
Lewistown, Montana

All notices to the Lessee shall be directed to:

Little Rocky Mining Co. Ltd.
Suite 1307 - 1030 West Georgia Street
Vancouver 5, B. C., Canada

Any party may designate a new address to which notices to said party may be sent by notice to all other parties. Unless otherwise specified herein, all notices shall be effective when sent by registered or certified air mail addressed as stated above and shall be deemed to have been received three days after posting anywhere in the continental United States or Canada.

14. Termination.

(a) If the Lessee defaults in the performance of any covenant or condition hereof, the Lessor may deliver notice to the Lessee specifying in detail the default

and if such default shall not be corrected or remedied within fifteen (15) days after receipt by the Lessee of such notice, if it reasonably can be corrected or remedied within such fifteen (15) days, and if not, within such time as may be reasonably required, the Lessor at its election may:

(i) recover damages for such default in performance of any such covenant;

(ii) enjoin the continuance of such default in performance of any such covenant; or

(iii) terminate this Agreement by delivery of a final notice to the Lessee, if the Lessee has failed to correct or remedy such default;

Provided always that the Lessee may remedy any default by paying to the Lessor within ten (10) days after receipt of such final notice of termination an amount equal to the damages recoverable by it for the specified default; and provided that the Lessee shall be deemed to have corrected or remedied any default when the Lessee shall in good faith commence action to correct or remedy such default if such action shall be prosecuted thereafter with due diligence.

(b) The Lessee may terminate this agreement by giving notice in writing of its abandonment of the Premises to the Lessor.

(c) This agreement shall be deemed to be terminated upon delivery of deeds and documents and making of all payments by the Lessee to the Lessor pursuant to an exercise of the option contained in Clause 4 hereof.

(d) This Agreement shall terminate in any event on July 2, 1968, if the option is not exercised.

(e) At or forthwith after any termination of this Agreement otherwise than by exercise of the option contained in Clause 4 hereof, the Lessee covenants and agrees to deliver to the Lessor copies of all maps, documents, reports, information and engineering data and records compiled by it during the examinations and investigations aforesaid and to return to the Lessor all such information as it may have furnished or supplied to the Lessee pursuant to Clause 7 (a) hereof.

15. Force Majeure. The Lessee shall not be considered in default if the Lessee's failure to perform any covenant or condition of this Agreement is caused by Act of God or by any circumstances not wholly and exclusively within the control of the Lessee. The settlement of a labor dispute shall not be considered to be wholly and exclusively within the control of the Lessee. Financial inability to make any payment shall not be considered beyond the control of the Lessee.

16. Successors. All the terms, covenants and conditions of this Agreement not hereafter amended shall survive execution and delivery of any amendments to the Agreement and shall be binding upon and inure to the benefit of the successors and assigns of the respective parties. The rights of the Lessor hereunder may be assigned in whole or in part. No change or division in ownership of the Lessor's interest or any payments hereunder, however accomplished, shall operate to create or enlarge any obligation or diminish any right of the Lessee or be binding upon the Lessee for any purpose until receipt by

the Lessee of a notice signed by or on behalf of the Lessor and all successors, stating the nature of the change or division and stating a single person and address to which all future notices and payments may be directed by the Lessee, and acknowledging that the successor is bound by the terms of this Agreement.

17. Corporation Names. The Lessor covenants and agrees with the Lessee that it will at any time after the exercise of the option contained in Clause 4 hereof at the request of the Lessee cause its corporate name to be changed to some name or designation not considered by the Secretary of State of Montana to be confusing or conflicting with the name of the Lessee, and in the meantime, the Lessor covenants and agrees to give such consents as may be necessary for the Lessee to obtain permission of the said Secretary of State to use its own name in the State of Montana, provided always that the Lessee shall indemnify and save harmless the Lessor from any and all claims or demands that may arise in connection therewith.

18. Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No covenant or condition not expressed in this Agreement shall affect or be effective to interpret, change, or restrict the expressed provisions of this Agreement. No employee or agent of the Lessee has any authority to make any promise, warranty or representation not expressed in this Agreement. No change, termination or attempted waiver of any of the provisions hereof shall be binding unless in writing signed by the parties.

19. Counterparts. Separate counterparts of this Agreement may be signed by the Lessor and the Lessee and together will constitute one Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

LITTLE ROCKIES MINING AND DEVELOPMENT COMPANY

(Corporate Seal)

By _____
President

ATTEST:

_____
Secretary

LITTLE ROCKY MINING CO. LTD.

(Corporate Seal)

By _____
President

ATTEST:

_____
Secretary

STATE OF MONTANA)
: ss.
County of FERGUS)

On this 18th day of April, in the year 1967, before me, _____, a Notary Public for the State of Montana, personally appeared CECIL FLINDERS, known to me to be the president of the Little Rockies Mining and Development Company, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

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

_____
Notary Public for the State of Montana,
Residing at Lewistown Montana.
My Commission expires Aug 5, 1968.

(Notarial Seal)

PROVINCE OF BRITISH COLUMBIA)
: ss.
County of Vancouver)

On this 3rd day of May, in the year 1967, before me, Lorna Thomas Frost, a Notary Public, personally appeared ANDREW ROBERTSON, known to me to be the president of the Little Rocky Mining Co. Ltd., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

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

Lorna T. Frost
Notary Public for the Province of British Columbia, residing at

My commission is perpetual.

(Notarial Seal)

Form 7

OFFICIAL FILE COPY

Date	Surname	Code
6/12/67	[illegible]	120
		110
		220

JUN 12 1967

AIRMAIL

Mr. Cecil Flinders
President
Little Rockies Mining & Development Company
412 West Main Street
Lewistown, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

This will acknowledge receipt of your letter dated June 6, 1967, regarding an option given to Little Rocky Mining Co., Ltd.

Article 4 in the Lien or Subordination Agreement executed by Little Rockies Mining and Development Company on March 5, 1962, states as follows:

"4. (The owner) Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and".

Inasmuch as you are obligated thereby to provide the Government with two true copies of the option agreement, we request that the necessary copies be furnished, or that you send in your copy from which we can make duplicate copies. In the latter case, we will return your copy promptly.

In reply to your question regarding obligation for royalty payments in the event the Operator, Northern Continental, Inc., no longer leases the property, Article 1 of the above-mentioned Lien or Subordination Agreement states that the owner, in this case Little

23263

Rockies Mining and Development Company, "agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; ...". If the Government's rights to royalty are not protected in subsequent leases of the property, the Government will look to the owner for payment.

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 w/cy incoming letter
Mr. Kirkemo
120M

HKirkemo/gla 6-12-67

Lewistown, Montana
June 6, 1967

AIR MAIL

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 8 1967

INITIALS	CODE
gla	120 m
gg	110
	120
	220

United States Department of the Interior,
Office of Minerals Exploration,
Washington 25, D. C.

Attention: Mr. Frank E. Johnson, Chief
Office of Minerals Exploration

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Johnson:

This letter is in answer to yours of June 2nd in regards to the above captioned.

I would like to advise that it would be a little difficult for me to give you a copy of the option in question, due to the fact that it contains eighteen pages and they only have one copy. However, the contents of this option are mainly as follows:

No. 1 - Little Rocky Mining Company, Ltd., has until July 1, 1968 to study and examine our property.

No. 2 - Any time before that date they have the right to purchase our property.

No. 3 - In the interim there is to be no mining or production from our property at all other than taking samples for assay.

Will this letter suffice for your purposes? Please advise.

My understanding of the above mentioned OME contract is that if production comes from the property, Northern Continental, Inc., is to make royalty payments to you, even though they no longer lease the property. We understand that if they refuse to make these payments that we will have to. If this is not true please so advise.

Sincerely yours,

Cecil Flinders

CECIL FLINDERS, President
LITTLE ROCKIES MINING & DEVELOPMENT COMPANY
412 West Main St., Lewistown, Montana 59457

CF/gp

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/2/67	Kirkemo	120
		110
		220

AIRMAIL

JUN 2 1967

Mr. Cecil Flinders
President
Little Rockies Mining and Development Company
412 West Main Street
Lewistown, Montana 59457

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Flinders:

We note in your reply, dated May 18, 1967, to our request (MME Form 63) for information on this certified OME project that a purchase option was given to Little Rocky Mining Co., Ltd., Landusky, Montana. We have not received a copy of this option as requested on Form 63. Please send us a copy at your earliest convenience.

We wish to remind you that regardless of the option mentioned, provisions of the Lien or Subordination Agreement signed by you on March 5, 1962, for the OME contract cited above remain in effect until May 17, 1972, or until the full amount of the Government's contribution to the costs of the exploration project is repaid with interest, whichever occurs first. Therefore, on any further production from the contract property, if the Government's royalty thereon is not paid by the producer, the Government will look to Little Rockies Mining and Development Company for payment of such royalties.

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 w/cy Form 63, dated 5/18/67
120M

HKirkemo/gla 6-2-67

23263

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **July 1966**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [✓] No [ ]

Option to Purchase was Given
" Little Rocky Mining Co. Ltd,
Landusky, Mont.

2. Since **July 1966**, has there been any production from the land subject to the contract? Yes [ ] No [X]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [X]

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Cecil Flinders Title Pres.

Address 412 W. Main Date 5/18/67
Lewistown, Mont.

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

May 9, 1967

Little Rockies Mining and
Development Co.
412 West Main
Lewistown, Montana 59457

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 9 1967
CODE
5/26 m 120 m
120K
220

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

TINENTAL MATERIALS CORPORATION

4530 W. NORTH AVENUE • CHICAGO, ILLINOIS 60639

October 27, 1966

United States
Department of the Interior
Office of Minerals Exploration
Washington, 25, D.C.

RE: OMe Northern Continental

Gentlemen:

We are pleased to announce that as of November 14, 1966, our new offices will be located at 72 West Adams Street, Chicago, Illinois, 60603. Our telephone number will be (312) 332-0422.

May we ask that you change your records to reflect the above information.

Thank you.

Very truly yours,
CONTINENTAL MATERIALS CORPORATION

Melvin Pollack

Melvin Pollack, Ass't. Secretary

/vh

TAE 6226
4 155

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL. 6 1966

INITIALS	CODE
7/6	420
	440
HK	120
	200
	220

Lewistown, Montana
July 1, 1966

United States Department of the Interior,
Office of Minerals Exploration,
Washington 25, D.C.

Attention: Frank E. Johnson

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Johnson:

This letter is to advise you that in regards to the above OME loan, there have been no shipments of ore from the property in question since Mine Lot No. 21 was shipped by Northern Continental, Inc.

The property has been lying dormant and has not been reactivated since they dropped the lease on our property.

Sincerely yours,

Cecil C. Flinders

CECIL C. FLINDERS, President,
LITTLE ROCKIES MINING AND DEVELOPMENT CO.
412 West Main,
Lewis town, Montana 59457

CF/Gp

Form 7

OFFICIAL FILE COPY

Date	Surname	Code
6/21	RMSmith	120
6/21	Kirkham	120
		110
		220

JUN 21 1966

Northern Continental, Inc.
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

Thank you for returning our form letter of May 20, 1966 (OME Form 63), informing us that your lease on the referenced claims was surrendered July 1, 1965, and that 374 tons valued at $20,891.00 was produced since April 30, 1965.

We respectfully call your attention to Article 6 of the contract (Repayment by Operator) and to the Certification of Possible Production dated January 29, 1964. These documents provide that "The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land . . ." or transported through the OME workings from May 17, 1962, to May 17, 1972, or until the sum of $33,733.70 is fully repaid with interest at 6 percent, whichever occurs first.

Our records indicate that as of July 20, 1965, royalties in the amount of $16,258.79 had been paid on production through mine lot No. 21.

Under the terms of the contract, Northern Continental, Inc., is not relieved of its royalty obligation by surrendering its lease. You are requested, therefore, to make payment promptly on any production sold or transported through the workings since July 1, 1965.

Royalty payments should now be made to the U. S. Geological Survey, and be mailed or delivered to the Field Officer, Region I, U. S. Geological Survey, Office of Minerals Exploration, South 157 Howard Street, Spokane, Washington 99204.

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 Region I w/cy of incoming Form 63
OME Reading File
120M
Smith

RMSmith/mm 6-18-66
Rewritten: RMSmith/gla 6-21-66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

May 20, 1966

Northern Continental, Inc.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 6 1966
INITIALS | COST
HK | 120

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **May 1965**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [ ]

   Has the property been returned to the lessor? If so, please give details and dates. **Yes /X/ No / /**

   Lease surrendered July 1, 1965 to owners, Little Rockies Mining & Development Co.

2. Since **April 30, 1965**, has there been any production from the land subject to the contract? Yes [x] No [ ]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
AS&R Helena, Montana	**374 tons**	**$20,891**

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since **April 30, 1965**, has any production been transported through workings (see of contract)? Yes [ ] No [X]

   Not by us.

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name **Northern Continental, Inc.** Title **Office Mgr.**

Address **P. O. Box 190, Grand Junction, Colo.** Date **May 31, 1966**

B

1A, 2C, 3b 1B, 2C, 3A, 4D File Record field Column

C — 3, 0, 0, 3, D; L, 8

1A C, 2A B, 3B, 4A, C

July 1, 1968 Leave until

Page 5

"Lessor warrants that it has title to the Premises and they are not subject to any outstanding interest, encumbrance, prior lease, or valid adverse claim."

May 20, 1965 Operator letter to MacLaren reported all known ore reserves had been extracted and mining had been terminated. About 700 tons are shipped for which settlement 18 not received and on which OME royalty was due.

On May 8, 1967 MME Form 63 — Owner reported option to purchase given to Little Rocky Mining Co. Ltd Lewistown, Montana. No production since July 1966.

The Operator under this contract surrendered the lease on July 1, 1965 to the owner Little Rockies Mining & Development Company. Since April 30, 1965 374 tons ore valued at $20,811.00 was produced.

Ltr Govt to Operator June 21, 1966 stated that Northern Continental is not released of its royalty obligation by surrendering its lease. Govt Records as of July 20, 1965 royalties of $16,258.79 had been paid through mine lot No. 21.

Oct. 27 1966 Operator announced new address but no response to letter of June 21, 1966.

Report of Royalty Divisions dated May 4, 1965 for period May 17, 1962 through April 30, 1965 — last settlement noted related to 1965 Mine Lot No. 9 settled as of March 19, 1965 total royalties paid $14,272.36.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/11	Johnson	110
		100
		220

JUN 1 1 1965

Mr. C. G. Reynolds
General Superintendent
Continental Materials Corporation
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OMM-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Reynolds:

This will acknowledge receipt of your letter of June 2, 1965, advising that the property under the subject contract will be returned in the near future to the lessor, Little Rockies Mining Development Company.

We wish to call to your attention, however, that regardless of such action, the provisions of Article 6 of the contract remain in effect until May 17, 1972, or until the full amount of the Government's contribution to the costs of the exploration project is repaid, with interest. Therefore, on any future production from the contract property, if the Government's royalty thereon is not paid by the producer or the owner of the property, the Government will look to Northern Continental for payment of such royalties.

Sincerely yours,

George Fumich, Jr. gla

Acting Director

cc: Northern Continental, Inc.
4534 West North Avenue
Chicago, Illinois 60639

FEJohnson/gla (6-11-65)
cc to: Director's Reading File
Docket
Region I w/cy incoming letter
CA&A Division
120M

23263

AREA CODE 303
PHONE: CHAPEL 3-2100

CONTINENTAL MATERIALS CORPORATION

MINING FIELD OFFICE: 820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 7 1965
INITIALS | CODE
120
120
110
120

June 2, 1965

Mr. Frank E. Johnson
Acting Director
Office of Minerals Exploration
United States Department of the Interior
Washington 25, D. C.

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al, claims
Phillips County, Montana
Contract 2148

Dear Mr. Johnson:

This is to inform you that it is the intention of Northern Continental, Inc. to return the subject property to the lessor, Little Rockies Mining and Development Company in the near future.

Sincerely yours,

C. H. Reynolds

C. H. Reynolds
General Superintendent

CHR/ds

OFFICIAL FILE COPY

Date	Surname	Code
5/28	Johnson	120
5/28	Selfridge	120
5/28	On leave	100
		220

MAY 28 1965

Mr. C. H. Reynolds
General Superintendent
Northern Continental, Inc.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OMM-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Reynolds:

Thank you for your letter of May 20, 1965, to our Spokane, Washington, office in which you informed us that mining at the subject property has been terminated. Will you please inform us whether or not the property is to be returned to the lessor.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

GCSelfridge/gla (5-28-65)
cc to: Director's Reading File
Docket
Region I
Mr. Selfridge
120M

23263

Orre

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 2[illegible] 65

INITIALS	CODE
	120 M
	120
	230

So. 157 Howard Street
Spokane, Washington 99204
May 25, 1965

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary, Department of the Interior
Washington, D. C.

From: Acting Field Officer, Region I

Subject: OMR-6836 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

There is enclosed the original of a Report of Royalty Review dated May 4, 1965, for the period May 17, 1962, through April 30, 1965. One copy is being mailed to the Operator, and one copy will be retained in the Spokane office files.

D. R. MacLaren

Enclosure

cc: OME
CA&A Div.
CPF

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

OFFICIAL
COPY
O. M. S.
ST
MAY 1965
INITIAL DATE
120 m
120
230

So. 157 Howard Street
Spokane, Washington 99204
May 25, 1965

Air Mail

Mr. C. H. Reynolds
General Superintendent
Northern Continental, Inc.
820 South Ninth Street
P. O. Box 190
Grand Junction, Colorado 81502

Re: OMS-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Reynolds:

There is enclosed for your information and files a copy of a Report of Royalty Review dated May 4, 1965, for the period May 17, 1960, through April 30, 1965.

Sincerely yours,

D. N. Maclaren
Acting Field Officer, OMS
Region I

Enclosure

cc: OMS
CARA
CPF

Director's Reading File
Resources Research Branch Chief

NLMaclaren:mls

MMB FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Chief, Div. of Exploration Operations	5/24/65	
2.			
3.			
4.			
5.	D. R. MacLaren		

FROM: Acting Fld. Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 26 1965

INITIALS	CODE
ama	800
	120 m
	120
	820

FOR: Check items for action desired

X Action ____ Reply for signature of ____ Surname
____ Approval ____ Investigate ____ Signature
____ Comment ____ Recommendations
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS: OME-62236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

For your information and acknowledgment if necessary.

INT.-DUP. SEC., WASH., D.C. M56300-62

PHONE

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 190, GRAND JUNCTION, COLORADO 81502

May 20, 1965

U. S. Department of the Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Attention: D. R. MacLaren
Acting Field Officer

Re: OME-6236 (Gold-Silver)
Gold Bug, et al, claims
Phillips County, Montana
Contract 2148

Gentlemen:

This is to advise you that all known economic ore reserves have been extracted from the Gold Bug property and mining has been terminated.

About 700 tons of ore have been shipped for which settlement has not been received, and on which royalty is due to OME.

Very truly yours,

NORTHERN CONTINENTAL, INC.

C. W. Reynolds

C. W. Reynolds
General Superintendent

CWR/ds

RECEIVED
MAY 24 1965

cc to 800

PROJECT SUMMARY REPORT

By: F. M. Murphy June 15, 1964

1. OME-6236 (Gold-Silver)
Contract 2148

Operator - Northern Continental, Inc.
4534 West North Avenue
Chicago, Illinois, 60639

Property - 4 patented and 2 unpatented claims in secs. 15 and 22, T. 25 N., R. 24 E., M.P.M., Phillips County, Montana

Operator's Property Rights - Mining Lease from Little Rockies Mining and Development Company, and 8 individuals holding a combined royalty interest of 2.50% in the claims.

2. Contract dated May 17, 1962

Work Authorized - The work consisted of bulldozing an access road and portal site, 1500 feet of drifting, drift timbering, raising, long-hole drilling, and assaying of samples, at an estimated cost of $76,300.00.

Amendments -

No. 1, September 14, 1962, allows use of D-6 dozer in lieu of D-8, and reduces the estimated cost to $76,100.00.

No. 2, May 16, 1963, allows core sampling in lieu of channel sampling.

Work Completed -

Bulldozing 69.6 hrs @ $12.50/hr.	$ 870.00
Drifting 1500 ft. @ $36.00/ft.	54,000.00
Timbering 143.52 ft. @ $7.50/ft.	1,076.40
Raising 200 ft. @ $36.00/ft.	7,200.00
Long-hole drilling 2749 ft. @ $1.00/ft.	2,749.00
Assaying 786 samples @ $2.00/each	1,572.00
Total Acceptable Cost	$67,467.40
Government's Participation @ 50%	$33,733.70

Final Reports -

Operator's final report received December 5, 1963.
Region I - None to date

3. Report of Review dated December 5, 1963

4. Certification of Possible Production issued January 29, 1964

5. Work under the contract started in June 1962 and was completed in September 1963. The Operator continued exploratory work at the completion of the OME project. Shipments of ore began with Mine Lot No. 1 on March 17, 1964.

6. Comments -

In the area stocks and sheets of Tertiary syenite porphyry are intruded into a series of Paleozoic sediments, locally termed "shale."

The ore occurs in "veins" which have developed from shearing and fracturing in a shatter zone several hundred feet wide and probably 3000 feet long within the porphyry. Contacts between the shale and porphyry are generally mineralized. The main vein structures seem to continue through the shale. The gold and silver values are associated with pyrite. No significant amounts of base metals occur in the veins.

The OME project work was done on the 550 level. The Operator estimates that 18,650 tons of inferred ore averaging $20.00 per ton were discovered by the OME work. Prior to the contract an estimated 10,000 tons of ore reserves were calculated for the area 25 feet above and below the 350 level.

F. M. Murphy

FMMurphy/mm
cc: Director's Reading File
F. E. Johnson
Docket

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

X Certified — After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: Northern Continental, Inc.
Actual Cost:
State: Montana
Agreed Unit Cost: X
Final Report of Audit: 12/5/63
Commodity: Gold-Silver
Docket No.: 6236
Final Report of Review:
Contract No.: 2148

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Drifting & Crosscutting	1500	61,500	1500	55,076	55,076
Raising	200	7,200	200	7,200	7,200
Shafts					
Winzes					
Drilling (Specify) Long-hole	3600	3,600		2749	2749
Surface Excavation		1,000		870	870
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Assaying		2,800		1572	1572
Totals		$ 76,100		$ 67,467	2/ 67,467

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by F M Murphy Date 6/15/64

41725

43683

OFFICIAL FILE COPY

Date	Surname	Code
5/4	Talbert	800
5/4	Murphy	500
	Lovell	500
	Selfridge	120
5/5	Johnson	110
	Franks	100
5/5	Cae	220
		500

MAY 5 - 1964

Northern Continental, Inc.
4534 West North Avenue
Chicago, Illinois 60639

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

By letter dated April 30, your reference #21-1004, you request advice as to the computation of interest under the referenced exploration contract.

Article 1(c) of the contract provides that simple interest at the rate of 6 percent "shall accrue from the dates Federal funds are made available" until the Government's total contribution ($33,733.70) is fully repaid with interest or until the period for payment of royalty expires (May 17, 1972), whichever occurs first. Article 6(c) of the contract provides that the Government's royalty shall be 5 percent of the gross proceeds as therein defined.

Our administrative practice is to compute interest on each individual payment of the Government's contribution from the first day of the month following the date of such payment. Likewise, credits for the payment of royalty are applied on the first day of the month subsequent to receipt by the Government.

Sincerely yours,

Acting Director

EDTalbert/ama 5-4-64

cc:
Docket
Director's Reading File
CA & A Division
Reg. I w/cy inc. ltr.

43683

N O R T H E R N C O N T I N E N T A L, I N C.

4534 WEST NORTH AVENUE CHICAGO, ILLINOIS - 60639

RE: #21-1004

April 30, 1964

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 4 1964

DATE	INITIALS	CODE
5/4	[illegible]	800
5/4	[illegible]	500

United States Department of the Interior
Office of Minerals Exploration
Washington, 25, D.C.

Re: OMe-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

As you know, we are presently mining from the property and remitting royalties as called for under the Exploration Contract. However, according to your letter dated January 29, 1964, Northern Continental, Inc. is responsible for remitting royalties based upon production from the land described above, until the sum of $33,733.70 is fully repaid, with interest at the rate of 6% per annum. We were wondering if you could tell us how the 6% interest is determined, so that we are not in violation of the Exploration Contract.

Your comments would be appreciated.

Very truly yours,

Melvin Pollack

Melvin Pollack, Assistant Secretary
NORTHERN CONTINENTAL, INC.

/vh

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
April 13, 1964

OFFICIAL FILE COPY
O. M.
RECEIVED APR 15 1964
DATE
4/16 Murphy 500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Enclosed are two Thermo-Fax copies of a letter dated April 6, 1964, from the subject Operator together with our reply. Unless we hear from you to the contrary, the temporary authorization to make payment of royalty at the end of each month will be followed.

D. R. MacLaren

D. R. MacLaren

Enclosures

OMC (r)

NORTHERN CONTINENTAL, INC.

4534 W. NORTH AVENUE CHICAGO, ILL. - 60639

April 6, 1964

United States Department of the Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington - 99204

Re: OME-6236 (Gold-Silver)
Goldbug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

We are pleased to enclose our check in the amount of $536.22, representing royalty payments of mine lot Nos. 1 - 2 and 3, covering shipments for the month of March, 1964. Also, you will find copies of settlement sheets attached.

If you have no objection, we would appreciate it if we could remit our royalty payments once a month, based upon the previous month's shipments. This step would eliminate a few bookkeeping chores and correspondence between our field office and the Home Office. To keep our file in order, would you please confirm this in writing. Thank you.

Very truly yours,

/s/ Melvin Pollack
Melvin Pollack, Ass't. Secretary
NORTHERN CONTINENTAL, INC.

/vh
enc.

No. 137 Howard Street
Spokane, Washington 99204
April 15, 1964

Mr. Melvin Pollack
Assistant Secretary
Northern Continental, Inc.
4534 W. North Avenue
Chicago, Illinois 60639

Re: OMR-6236 (Gold-Silver)
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Pollack:

Article 6(c)(2) of the above-cited contract states: "The Government's royalty shall be computed and paid currently upon each lot sold, etc." Although this office is not authorized to change this provision, it is believed that the payment procedure proposed in your letter of April 6, 1964, will be considered satisfactory. However, the matter will be referred to our office in Washington, D.C. for a decision.

You may proceed with your proposed payment plan until such time as you are advised otherwise.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMR
Region I

cc: OMR(2)
CA&A
CPF
MacLaren

Director's Reading File
Resources Research Branch Chief

DRMacLaren:mls

FILE COPY
O. M. E.
RECEIVED APR 1 1964
DATE INITIALS EXTRA COPY CODE
RECEIVED
DATE

No. 157 Howard Street
Spokane, Washington 99204
March 30, 1964

Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

We have been advised that the East Helena Plant, American Smelting & Refining Co., has made settlement with you for two shipments of ore from the Gold Bug, et al., claims and that subject to audit royalty is due the Government as follows:

Date	Mine Lot No.	Smelter Settlement	Royalty due OME
3/17/64	1	$1,650.65	$ 82.55
3/26/64	2	1,579.31	78.97
		$3,229.96	$161.50

In accordance with paragraph 3 of the Certification of Possible Discovery, dated January 29, 1964, royalty payments should be made in favor of the Office of Minerals Exploration and should be mailed to Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington, 99204. Each payment should be accompanied by two copies of relevant settlement sheets.

Your early attention to this matter will be appreciated.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

DRMacLaren:als

cc: OME(2)
CA&A
Maclaren

Director's Reading File
Resources Research Branch Chief

One

ATERIALS CORPORATION
STREET P. O. BOX 1000
JUNCTION, COLORADO

OFFICIAL FILE COPY		
O. M. E.		
RECEIVED FEB 20 1964		
DATE	INITIALS	CODE
	February 19, 1964	
2/26		800
		~~120~~
2/26		500
		220

Mr. Stanley H. Lane, Manager
East Helena Plant
American Smelting & Refining Company
East Helena, Montana

Dear Mr. Lane:

Thank you for the copy of the ore purchase schedule and the pro forma settlement sample.

We presently plan to send a truck from this area to begin shipments during the last week of February. The unit will be a truck and trailer combination with a capacity of approximately 23 tons per trip. We anticipate that the trucker will be able to make three trips per week.

Will you please send me a schedule of the receiving hours at your plant so I may notify the trucker.

We plan to have Mr. Horace Hand of Goodall Brothers act as shippers representative and we will make arrangements to notify him of our schedule.

When settlement is made for a lot that has been received and sampled, will you please make the following deductions and transmit payments as set forth below:

Hauling per wet ton @ $10 per ton payable to:
J & K Enterprises
1700 15th St.
Denver, Colorado

5% of net smelter return (after deduction of freight and treatment charges) to:
Field Officer, Office of Minerals Exploration,
Region I, South 157 Howard St.
Spokane, Washington 99204

7.5% of net smelter return (after deductions of freight and treatment charges) to:
Little Rockies Mining & Development Co.
412 W. Main St.
Lewistown, Montana

. Stanley M. Lane, Manager
American Smelting & Refining Co.

February 19, 1954

1.0% of net smelter return (after deduction of freight and treatment charges) to:
Marion Heller & Juanita Heller
Lewistown, Montana

0.5% of net smelter return (after deduction of freight and treatment charges) to:
Cecil Flinders & Margaret Flinders
412 West Main St.
Lewistown, Montana

0.5% of net smelter return (after deduction of freight and treatment charges) to:
Frank H. Bryant & Delia Bryant
322 West Washington St.
Lewistown, Montana

0.5% of net smelter return (after deduction of freight and treatment charges) to:
Edward F. Wieglenda & Berta Wieglenda
Denton, Montana

The settlement should be made to:
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Sincerely,

NORTHERN CONTINENTAL, INC.

C. H. Reynolds
General Manager

CHR/ds
cc: Field Officer, CMR
Cecil Flinders
Melvin Pollack
Sidney Gunther

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

JAN 29 1964

Mr. and Mrs. Frank B. Bryant

~~Townsend~~, Montana
Lewistown, "

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. and Mrs. Bryant:

Enclosed is a copy of a certification of possible production which has been issued pursuant to the terms of the subject contract. This relates to the Lien and Subordination Agreements signed by you on March 5, 1962.

The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of certification to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

George Turnich
Acting Director

Enclosure

Note: Address taken from lien agreement, possibly could be Lewistown, Montana.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C. 20240

OFFICIAL BUSINESS

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Mr. and Mrs. Frank B. Bryant

Townsend, Montana

FEB 18 1964

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OMET 2)

OFFICIAL FILE COPY
C. M. E
RECEIVED DEC 13 1963
DATE
Murphy 500

No. 157 Howard Street
Spokane, Washington 99204
December 11, 1963

Air Mail

Mr. J. G. Roscoe
Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

There is enclosed one copy of a Report of Review, in lieu of a final audit, dated December 5, 1963, for June 1962 to September 1963, inclusive, covering a gold-silver project on the Gold Bug, et al., Claims, Phillips County, Montana.

Payment of "Balance due Operator" in the amount of $200.01 will be made by our Washington, D. C. office and should be received shortly.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

Enclosure

cc: OME(2)
CAAA
Voucher file

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

One (2)

So. 157 Howard Street
Spokane, Washington 99204
December 11, 1963

ORIGINAL FILE COPY
RECEIVED DEC 13 1963

Air Mail

12/16 Murphy 500

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Washington, D. C.

From: Acting Field Officer, Region I

Subject: OME-6836 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

There is enclosed the original of a Report of Review dated December 5, 1963, for June 1962 to September 1963, inclusive, covering a gold-silver project on the Gold Bug, et al., Claims, Phillips County, Montana.

One copy of the report has been sent to the Operator and one copy retained in the Spokane office files.

D. R. MacLaren

Enclosure

cc: OME(2)
CA&A
Voucher file

Director's Reading File
Resources Research Branch Chief

MLSmelser:mls

OFFICIAL FILE COPY

Date	Surname	Code
12/5	Cee	220
	Murphy	500

DEC 5 1963

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

As requested in your December 2 memorandum, a Report of Review covering the subject contract has been prepared. The original and two copies are enclosed.

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. As evidence of your concurrence, a copy of your letter transmitting the Operator's copy of the Report of Review should be furnished to this Division. If for any reason you do not concur, the original and both copies should be returned to this Division.

Enclosures

EDTalbert/ama 12-5-63

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
December 2, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 4 1963

DATE		CODE
12/4		800
12/4	Murphy	500

Memorandum

To: Chief, Contract Administration and Audit Division

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Work under the subject contract was terminated effective September 30, 1963, by which date work under the contract had been completed.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications are:

Bulldozing access roads	69.6	hours
Drifting	1,500.0	feet
Drift timbering	143.52	"
Raising	200.0	"
Long hole drilling	2,794.0	" ? 2,749.0
Assays	786	each

An acceptable final engineering and geological report* was received from the Operator December 2, 1963.

A Report of Review, in lieu of a final audit, is in order and requested. Original copies of the final (September 1963) MME-60 and 61 were forwarded to the Fiscal Section on October 31, 1963.

D. R. MacLaren

D. R. MacLaren

*This report is being sent via regular mail.

one (2)

PHONE

CONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 1550 GRAND JUNCTION, COLORADO

OFFICIAL FILE COPY

November 27, 1963

RECEIVED DEC 5 1963

DATE	INITIALS	CODE
12/5		800
		500

U. S. Department of the Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. OME-6236
Contract No. 14-23-090-2148

Gentlemen:

Enclosed is the original and four copies of our final report.

Five copies of progress map to accompany the report are being sent under separate cover.

Very truly yours,

NORTHERN CONTINENTAL, INC.

J. O. Roscoe
Mine Superintendent

JOR/ds
Encls.

RECEIVED
DEC 2 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
December 2, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED DEC 5 1963

DATE		
12/5		800
		120
	Murphy	500

1 cy 130

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Enclosed are the original and three copies of an excellent Operator's final report on the subject contract. This report contains ample information and data to justify a certification of discovery which is recommended.

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
RECEIVED
DATE

FINAL REPORT

Docket OME 6236
Contract No. 14-23-090-2148
Gold Bug, et al., Phillips County, Montana

This project was started in June 1962 to determine the downward and lateral extension of gold and silver mineralization exposed by old workings in shatter zone within Tertiary porphyry. It was proposed to explore these structures by drifting, drilling and raising from 200 feet below known ore and to carry the exploration 1000 feet beyond it. The proposal was modified to contract for exploration 200 feet directly below the extent of the old workings by drifting and raising with lateral probing by drilling.

The work completed under the contract consisted of:

Drifting	—	1500 feet
Raising	—	2 raises-100 feet each
Drilling	—	2749 feet, percussion
Attendant assaying and timbering		
Site preparation		

In addition, the following work was performed from the exploration level:

Drifting	—	104 feet
Crosscutting	—	802 feet
Raising	—	140 feet
Drilling	—	3235 feet

Contract specifications were completed in September 1963, but work described continued through October. Further exploration, excavation and drilling is currently in progress upon structures and trends exposed by this work so ultimate evaluation of the OME project will depend upon future information. At present it is evident that OME work proved that ore grade mineralization projects to the lower level, that favorable structure continues along strike and that structures parallel to this trend are mineralized.

Ore Reserves:

Ore reserves estimated from exposures known to date are mostly classified as Inferred, as defined by U.S.G.S. terminology, due to length of correlation necessary, variable grade of material and the geometry of various sample intervals. Known reserves prior to OME exploration were estimated as Indicated ore amounting to 10,000 tons assaying 0.36 ounces per ton in gold and 14.3 ounces per ton in silver. Exploratory raising has strengthened this assumption, but has not been extensive enough to change classification or quantity.

OPERATOR'S

Inasmuch as there is no experience data available concerning dilution, metallurgical recovery, or mining costs, ore reserve estimates at present are academic and arbitrary. Therefore the following tabulation is based upon a value of $20 per ton in place of using a factor of 13 cubic feet per ton to convert tonnage from volume. Gold valued at $35 per ounce and silver at $1.20 per ounce is the basis for valuation.

Indicated Ore

Location	Tonnage	Remarks
350 Level	10,000	280 ft. long, 8 feet wide, projected 25 ft. above and below the level. Oxidized structure.

Inferred Ore

Location	Tonnage	Remarks
350 Level	3,850	250 ft. long, 8 feet wide, 25 to 50 feet above level. Oxidized structures.
550 Level(OME adit)	11,500	250 ft. long, 8 feet wide, 60 to 135 ft. above level. Distance between levels is 160 feet back to sill. Oxidized and sulfide structures.
550 Level	3,300	100 ft. long, 5 ft. wide, 50' above level and 50' below level. Sulfide structures.
Total Inferred Tons	18,650	

The potential tonnage of immediate area covered by OME exploration could be expanded to about 4 times this figure by further exploration upon anomalies intersected in drill holes and crosscuts, but lack of definite correlation and the spread of intervals sampled prevents compilation of data into significant values.

Engineering Data:

Time elapsed	-	June 1962 thru Sept. 1963
Drift footage	-	1604
Crosscut footage	-	802
Raise footage	-	~~250~~ 340
Longhole footage	-	6084
Samples taken	-	1800 (approx.)

Average number of men underground - 4

It should be noted that the unit quantities of work exceed those specified in contract, and while the government did not participate in these expenditures the totals were used to derive unit costs. All work performed was done in the immediate area covered by the specifications and contributed to the aims of the program.

Unit Costs:

Drifting and Crosscutting	$ 55.60 per foot
Raising	$ 97.80 per foot ? overnight
Longhole Drilling	1.43 per foot

These costs include all direct and indirect charges to the project such as labor, supplies, supporting facilities, equipment depreciation, supervision, assaying, taxes, and insurance. No charges were included for general geologic studies, amortization of expenditure or for capitalized equipment.

The drifts were driven with an average cross-section of 8' high x 7' wide on a 1%. grade using 18 inch gage track. Crosscuts average 7'x 5' driven by a slusher without track. 21 sets of timber were installed to support the portal and blocky ground. 8 sets were used to support the drift at the base of the raises. Drifting encountered no particular problems - ravelly rock necessitated drilling short rounds and moisture required the use of electrical blasting. Water courses were intersected which hampered advance at times, but after a brief drainage period all the water flow was from the floor. About 1000 gallons per minute now flows out the portal.

Raises were driven with an average section of 15 feet along the strike of structure and 6 feet from hanging wall to footwall. They were timbered into 3 equal-size compartments with rock chutes on each end and a serviceway in the center.

Equipment used for drifting consisted of jackleg drills, alloy drill rods with integral tungsten carbide cross bits, overshot mine car loader, rocker dump cars, diesel locomotive, and axivane fans. A double drum air slusher and scraper were used for mucking crosscuts. Stoper drills and single drum air hoists were used in the raises.

Longholing was drilled with $3\frac{1}{2}$ and 4 inch screw feed drifters using $2\frac{1}{4}$ inch carbide bits on 4 foot sectional drill rods. Checks between cuttings assayed and crosscut sampling seem to show that drilling results are semi-quantitative. Heavy water flows and open fractures caused some trouble in drilling and in reliability of cuttings. Geologic data was quite reliable, although silicified and highly pyritized shales are difficult to distinguish from mineralized porphyry.

Surface equipment and plant consisted of a shop and change-room building, an office and sample building, a 50 kva diesel-electric power plant, a 600 cfm diesel compressor, an HD5 front end loader, an 8 x 15 sample crusher, a gasoline powered welder, a utility pick-up truck, and miscellaneous shop tools.

The working force at the project included 4 miners, 1 mechanic, and a project supervisor during most of the program. Currently there are 6 miners and 2 mechanics and the supervisor employed at the property.

No ore has been shipped or sold from the property since the contract began.

Geologic Data:

The area examined by the project lies along the southwestern edge of the Little Rocky mountains which were formed by a laccolithic intrusion of syenite porphyry into a series of sedimentary and metamorphic rocks. A vein system occupies a shatter zone which runs from the sediments into the porphyry. Sporadic mining over the past 70 years has partially explored these veins in the porphyry and exposed mineralization on a strike length of about 500 feet extending to 250 feet in depth. Preliminary examination indicated positive possibilities that mineralization could be expected beyond the limits previously established, and the program resolved as an underground project centered about 200 feet below the lowest workings.

Surface and underground mapping showed that the trend of mineralization was about N 45° E with a steep northwesterly dip along fractures and shears running parallel to the shatter zone. Ore concentrations were erratic in grade and size, but apparently maintained an en echeleon relationship as do the individual shears.

OME exploration has added a great deal to the knowledge of this area, but many questions have not been answered and many assumptions have not been verified.

The shatter zone is bordered by a light grey silicified syenite porphyry containing abundant chalky feldspar phenocryets in a glassy matrix. The shatter zone is principally occupied by two types of porphyry which appear to be related to the syenite porphyry, but seem to have been later phases of the intrusive.

The most abundant of these is a dark grey, brittle siliceous rock with larger fresher feldspars, locally called "Big Eye" porphyry. It is usually hard and dense, but near mineralized structures it may be somewhat vesicular and contain megoscopic pyrite, fluospar and quartz. In one area of contact with sediments it appears to have cooled rapidly to form a "chilled" zone on the contact. It has been the host rock for most of the mineralization on the lower levels.

The other porphyry, termed "Possum" from its fetid odor when struck, seems to be a dike rock in texture and attitude, but some evidence indicates that it is a facies of "Big Eye". In other mines in the area it is associated with ore bodies, but no definite relationship to ore has been noted here. No "dikes" have been found on the lower level, although minor amounts of possum porphyry appear as inclusions or segregations in the Big Eye.

Sedimentary rocks, probably of the Cambrian Emerson or Flathead formation, occur as a tongue in porphyry running at least 1000 feet into the igneous rocks. Locally termed "shale", these rocks are thin bedded argillaceous sandstones. Near mineralized areas they have been highly altered by silica and pyrite, and contain ore grade mineralization in some places. It is suspected that the presence of large zenoliths of this material has had an effect upon the structural pattern of the vein system.

The shatter zone is an indefinite area several hundred feet wide and probably 3000 feet long in which "veins" have developed from shearing and fracturing. The strongest features are more or less parallel and strike N 40° to 50° E with both northwesterly and southeasterly dips within the main zone. It has not been ascertained whether the veins are arranged in a true en echelon manner or if this is merely apparent due to pinching and tightening of structure accompanied by slight changes in strike. At 1315' from the portal on the OME level 3 parallel structures are known, though only the central vein has been explored along strike to any extent.

Vein structure on the OME level is in general more evident and more continuous than on upper levels. They are characterized by open fissuring that is now breccia filled with rubble well cemented with pyrite and silica. Widths vary from a few inches to several feet. Walls are usually indefinite due to horsetailing of subsidiary structures into both walls. The degree of mineralization is usually directly proportional to the amount of pyrite. It is believed that the veins were originally open fractures and that the breccia accumulated from material dislodged up dip, as open cavities are abundant on the lower, but none were found more than 25 feet up dip.

Veins of the upper levels are accompanied by a higher degree of horsetailing and less definite walls. Mineralization shows a tendency to follow the smaller fractures in a random pattern. Brecciation is less developed and the veins have the appearance of small angular rock fragments tied together with a network of veinlets.

Contacts between shale and porphyry seem to be fault surfaces and are generally mineralized. Most contacts show silicification and pyritization. The main vein structures change character and direction somewhat where they cut across contacts, but they seem to continue thru the shale. Little is yet known about the degree of mineralization along the veins in the shale sections, but ore is known to occur in shale.

Gold and silver mineralization cannot be detected except by assay in areas examined to date. On the lower levels profuse quantities of botryoidal pyrite obscures mineralization. Pyritic portions of the veins are seldom barren, though mineralization may not be ore grade. Updip the pyrite is oxidized to limonite and iron oxides, and only minor quantities of pyrite occur on the upper levels. With the exception of one specimen of tellurides no gold-silver minerals have been identified. In continuously mineralized areas gold-silver ratio varies from 1:15 to 1:47 by weight. No significant amounts of base metals occur.

Summary of Progress:

550 Level

Feet from Portal	
0	The OME adit (550 Level) was portalled at a track elevation of 4576 feet on a bearing of N 53° E to intersect projection of Gold Bug vein system. Rock formation is shale, containing no significant structure or mineralization.
40	Cut 7-10 feet of syenite porphyry. Barren. Dike-like in attitude, but probably only a stringer from main contact.
106	Shale - syenite porphyry contact. Contact dips 50° southwesterly.
210-420	Weak fractures developing in porphyry, running parallel to course of adit. Shows some pyrite, gouge and minor flourite, mineralization too weak to warrant assaying.
278	2 short crosscuts driven for storage places. Adit continues along weak structure in barren syenite porphyry.
-420	Fractures cut off by shear with 2' of gouge striking N 73° E, dip 80°NW. Ground blocky and dangerous, timber required. Barren.
420-465	Syenite porphyry, blocky, barren.
465	Brecciation developing in porphyry with iron oxides on joints. No visible mineralization.
493	Strong shear zone with 6" of gouge cuts adit with strike of N 40° W, dip 80°NE. Barren. Brecciation becomes more pronounced, up to 4½' wide, following adit, dip 70°NW.
493-520	Brecciated structure in syenite porphyry. Veinlets of pyrite, marcosite and silica, with some oxidation. Structure is essentially barren.
520	2 crosscuts driven to check porphyry for parallel structures. Left crosscut (x.c.#3) cut strong structure 10 feet from adit, 2½' assayed $2.69/ton. Appears to be principal structure in brecciated zone about 20 feet wide. Zone weakly mineralized. x.c.#3 continued to 73 feet from center of adit with no significant structures or mineralization. x.c.#4 runs 61 feet to the right in blocky barren porphyry. 8 longholes totalling 688 feet were drilled ahead and above crosscuts, encountered only weak mineralization.

Feet from Portal	
525-565	Breccia zone. Somewhat mineralized, averages $1.51/ton.
565	Structure cut in x.c.#3 enters drift.
565-630	Breccia zone continues along adit. Some oxidation and pyrite, dips 75°NW. Some mineralization, averages $1.50/ton.
620	2 short crosscuts. Strong brecciation and vein structure in right hand x.c. Zone 24' wide runs $3.78/ton.
630-655	Breccia develops vein structure up to 2' wide, strikes N 35° E, dips 75° NW. Drift assays average $8.23/ton. 6" of vein assays $155/ton.
655	Vein pinches and enters left rib, apparently cut by normal fault and/or shale pendant.
655-720	Complex maze of syenite porphyry, and shale inclusions, numerous indefinite structural features. Drift assays average $1.69, no distinct structure to sample.
718	OME drill station #1 - Holes #9, 10, 11, 12, 13, 14. 3 holes more or less 100 feet in each rib, see map for geology.
720-756	Syenite porphyry, essentially barren, virtually no structure.
756	Intersect barren vertical structure strikes, N 42° E, up to 4' breccia with 1 foot strongly oxidized and gougy.
756-834	Syenite porphyry. Follow barren vertical structure, course of adit changes to N 42° E.
834	Shale contact, strikes N 80° W, dips 10° SE. Some horizontal movement on contact.
834-1075	Shale, thin bedded, limey with varying amounts of silicification with pyrite. Barren. Bedding strike averages N 80° E, with dips from 10° to 45° South. Several barren bedding plane faults.
907	OME Drill Station #2. Holes #15, 16, 17, 18, 19, 20. 3 holes in each rib, see map for geology.
1075	Big Eye porphyry contact. Strikes N 85° E, dips 30°S. Contact strongly brecciated and mineralized. Strong water flow when cut. Drift assays $17.30/ton. 2 ft. of shale on contact assays $8.45/ton.

Feet from Portal	
1078-1115	Contact changes abruptly to strike N 42° E, dip 60° SE, runs along right side of drift, swings into rib at 1115. Drift in Big Eye porphry, barren, fracturing parallel to drift.
1109	OME Drill Station #3 (labelled #4 on progress sketches). Left station in porphyry, right station in shale. Holes 21, 22, 23, 24, 25, 26, see map.
1109	G15 crosscut, runs N 45° W 49', minor structure, minor mineralization, all porphyry.
1115-1170	Barren Big Eye porphyry, pyrite filled fractures enter from left.
1170-1200	Cut series of vertical, narrow fractures striking N-S, with $\frac{1}{4}$-$\frac{1}{2}$ inch white talcey gouge, one fracture 1-2" wide is open.
1200-1317	Ore zone, all in Big Eye porphyry. Drift assays average $24.14/ton. A 1' channel sample at 1270 runs $492/ton (not included in average). Specimens assay $100-$150/ton. Vein formed by brecciated shears striking N 45° E, dip 60-70°SE. Shears merge and split with tight places, open cavities, breccia filled openings. Breccia is pyrite and quartz cemented. No visible valuable minerals. Some indication of possum porphyry.
1217	Hole B, bearing N, inclined 10°, 16' long. Some mineralization, all porphyry, 13-16 feet assayed $9.69/ton.
1225	Crosscut "B", runs 59 feet at N 45° W. Narrow open fractures 8-14 feet, strike N 40-60 E, dip 45-65° SE, average $3.50/ton. Intersect "chilled" Big Eye porphyry at 39 feet. Shale contact at 55 feet, strikes N 30° E, dips 30° SE.
1226	Center of OME Raise #1, bears N 53° W, inclined 65° at base, averages 71°. See below for further description.
1240	Hole A, bearing S 60° E, inclined 15°, 37 feet long, 5-9 runs $2.49, 21-25 runs $160, all porphyry.
1313	OME Drill Station #4 (#5 on progress maps). Drilled holes 27, 28, 29, 30, 31. Collared "17 NW" x.c., bears N 45° W, 117 feet from center of adit. See description below. Collared "17 SE" x.c., bears S 40° E, 210 feet from center of adit. See description below.

Feet from Portal	
1317-1340	Big Eye porphyry. 4-6 foot chilled zone on left, contacts Big Eye at 27°SE dip. Ore bearing structures tighten and splay out. Drift course changes to N 54°E. Assays average $3.57/ton.
1340-1430	Shale and chilled porphyry. Contact along drift dips 27° SE. Weak structure in shale parallel to drift dips 69° SE. Strong breccia structure developing from left rib. Drift assays average $5.51/ton. Course of drift changes to N 47° E.
1348	Hole C, bears S 45° E, inclined 16°, 8 feet long, slightly mineralized, all porphyry.
1405	Hole D, bears S 25° E, inclined 19°, 25' long. 21-25 assays $11.81/ton. All in porphyry.
1409	Hole E, bears N 23° W, inclined 14°, 24 feet long. All in shale, hole averages $6.44/ton. Pink quartz 21-24. Water flow at 13'.
1411	Collar "18" Crosscut. Bears N 85° E, 70 feet from center of adit. All in Big Eye porphyry. Vertical structures with strong gouge and talc from 36-65, do not appear to project thru to adit. Crosscut assays average $1.92/ton. Hole F at 40 feet bears S 51° E, inclined 10°, 21 feet long,assays $4.66 at 13-17 feet. Hole G in face bears N 85° E, inclined 5°, 15 feet long, assays $1.43 at 8-15 feet.
1430-1550	Ore structure. Strong breccia structure with fairly well defined hanging wall bears along course of drift. Dips S 47° E, up to 5 feet wide, abundant pyrite and silicification, some fluorite, some oxidation, numerous open cavities. All in Big Eye porphyry, some chill zone and possum porphyry. Hanging wall steepens and enters right rib. Drift assays average $8.93/ton. 5 foot channel at 1468 runs $276/ton, specimens assay over $100/ton. High grade not in averages.
1476	Center of OME Raise #2 bears N 43° W, inclined 47°, see description below.
1497	Drill Station #5. Drilled holes 33, 34, 36, 37, 38, completed OME drilling.
1500	End of OME participation in adit.
1550-1613	Footwall vein structure, dips 45° SE, abundant pyrite and silicification, some fluorite, all in Big Eye porphyry with suggestion of gradation to syenite porphyry on footwall. Drift assays average $9.63/ton.

Feet from Portal	
1613-1760	Vein structure joined by steep hanging structure and course changes to N 38° E. All in Big Eye porphyry. Drift assays average $2.59/ton. Structure at face tightening similar to Portal plus 1317.

Raise #1

0-66	Big Eye porphyry. Structure narrows and steepens into hanging wall, 8 foot longholes at 5 foot intervals in hanging wall are mineralized. Footwall holes barren. Structure too erratic to follow with raise. Raise assays average $7.82/ton over 6 feet width, highest values along and in hanging wall.
66-169	Shale. No definite structure. Shale silicified, abundant pyrite, mineralization erratic. Holes in hanging and footwalls erratically mineralized, some ore grade. Raise assays average $6.14/ton. 12 foot crosscut in hanging wall at porphyry contact assays $13.48/ton, shale silicified and brecciated, abundant pyrite. Longhole assay $197/ton 4-8 feet in hanging wall, 10 feet south of crosscut.
100	End of OME participation in Raise #1.
169-172	Syenite porphyry, oxidized zone, intersect 350 level.

Raise #2

0-70	Big Eye porphyry. Structure 4 to 6 feet wide, brecciated. No open cavities above 20 feet from sill. 8 foot longholes in both walls at 5 foot intervals, with sub-ore mineralization. Inclination averages 47°. Raise assays average $8.20/ton.
70-100	Big Eye porphyry, structure steepens abruptly to 85° and weakens. Stronger structures enter from hanging wall, dipping 60° NW. Gradational change to oxide zone on hanging wall. Raise assays average $5.35/ton. Crosscut in hanging wall at 80 feet, averages $9.82 from 0-13 feet, $129.00 from 13-17, $7.57 from 17-27, in NW dipping structures, oxidized breccia zone. End of OME participation in Raise #2.
100-107	Big Eye porphyry, thin structures.
102-170	Bean hole raise in hanging wall, inclination about 60°, will be driven to connect 350 level in 156 N drift. Oxidized zone, following NW dipping structures. Assays average $15.81/ton.

Feet from Portal

"17 NW" Crosscut (follows Hole 27)

0-46	Shale, bedding plane movement dipping 25° SE cut at 24, 28, 26 feet, brecciated and pyritized. Assays average $3.22/ton.
46	Syenite porphyry contact, strikes N 60° E, dips 20-40° SE, open fractures, pyrite and silica. 0.3 feet on contact assays $31.76/ton.
46-95	Syenite porphyry, bolcky. Assays less than $1/ton.
95	Open fractures, 4-6 inches wide, strikes N 50° E, dips 77° NW, flows about 1000 gpm artesion water. Walls silicified with some pyrite. Drift at fractures assays $4.06/ton.
95-113	Syenite porphyry, barren. Drill station for 9A,9B, 9C,10A,10B,10C,10D.

"17 SE" Crosscut (follows Hole 30)

0-78	Big Eye porphyry. Massive, blocky, essentially barren. Vertical jointing parallel to crosscut.
62	Drill Station for Holes 2A,2B,2C.
78-95	Contact zone, evidence of considerable movement, strikes about N 60° E, dips 60° SE, strong silicification and brecciation on hanging wall side. Runs $2/ton.
95-162	Shale, first 15 feet runs $3.50/ton, ramainder essentially barren, bedding dips 65° SE.
110	Drill station for holes 4A,4B,4C.
162-177	Syenite porphyry, barren.
177-200	Shale, barren, bedding dips 42° SE, syenite porphyry appears in back at face.

Respectfully submitted,

J. G. Roscoe

RECEIVED
DEC 2 1963
U.S.G.S.

OFFICIAL FILE COPY

Date	Surname	Code
~~11/8~~	~~[illegible]~~	500
11/8	on leave	500
11/8	Talbot	800
	GCS	130
11/8	On leave	110
	[illegible]	100
11/8	coe	320
11/8	Murphy	500
		330

NOV 8 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: GME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

With reference to your memorandum of November 4, 1963, we infer that the termination agreement is requested because some units of timbering, raising, and long-hole drilling provided for in the contract have not been used. Reviewing the August voucher suggests that for all practical purposes the work under the contract has been completed and seemingly a termination agreement is not necessary.

George C. Selfridge (gl)

FMMurphy/mm
11/8/63
cc: Director's Reading File
Review Committee
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
November 4, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 6 1963

DATE	INITIALS	CODE
11/6	[illegible]	800
	Murphy	120
		500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Work authorized under the subject contract has been completed in a satisfactory manner and a certification of discovery will be recommended. A Termination Agreement by mutual consent is requested.

D R MacLaren
D. R. MacLaren

Termination agreement not necessary if work is satisfactorily completed.

Talbert
11/6/63

AEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/19	Murphy	500
8/19	Talbot	800
"	On leave	130
"	Johnson	110
9	[illegible]	100
8/19	COC	220
		500

AUG 19 1963

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: OMR-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

With reference to car samples 5465 through 5490 mentioned on page 3 of your memorandum of August 7, 1963, these samples may be approved, if otherwise acceptable, since the zone obviously contained significant values and therefore would be eligible under the terms of Amendment No. 2.

The amendment allows car samples to be substituted for channel samples in such zones. The wording of the amendment is not too clear but it was intended to allow car samples in zones where significant mineralization was visible in the rock.

W. R. Griswold
mm

FMMurphy/mm
8/19/63
cc: Director's Reading File
Review Committee
Docket

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane, Washington 99204
August 7, 1963

OFFICIAL FILE COPY O. M. E RECEIVED AUG 9 1963		
DATE	INITIALS	CODE
8/9	[illegible]	800
	[illegible]	520
8/19	Murphy	500

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

This refers to an over-claim and over-approval of car samples. For background please refer to:

Letter May 1, 1963, A.F.O. to Operator
Interim Report, May 2, 1963 - page 2, last paragraph
Letter May 9, Operator to A.F.O.
Letter June 19, A.F.O. to Operator
Letter June 27, Operator to A.F.O.
MME Form 61, May 1963, "Remarks"
Assay maps accompanying October 1962, April 1963, and May 1963 vouchers

The first channel sample taken is 4946 located 615 feet from the IP at the tunnel portal. This sample is not located on the assay maps but was taken between Samples 2598 and 2599. The high number relative to other nearby samples suggests that it was taken after the drift had been driven considerably farther and therefore after the more easterly car samples but had it been taken when the face of the drift was at that point, it would have justified approval of ensuing car samples. In processing the May voucher the following samples in this area were approved:

4946	Channel
2599	Car
4944	Channel (not on map - IP + 620 feet)
4651	Car
4652	"

4653	Car
4656	Channel
4654	Car
4660	Channel
4661	Car
4662	Car
4663	"
4664	"

Another group of channel and car samples starting with 5450 at IP + 1,069 feet were approved as follows:

5450	Channel
5424	Car
5452	Channel
5426	Car
5471	"
5425	Car
5472	"
5428	"
5427	"
5435	Channel (not on map - IP + 1,085 feet)

A third group of channel and car samples were approved starting with 5860 at IP + 1,427 feet as follows:

5860	Channel	5870	Car
5861	Car	5871	"
5862	"	5872	"
5863	"	5873	"
5864	"	5874	"
5865	"	5875	"
5866	"	5876	Channel
5867	"	5878	Car
5869	"		

Sample 5485 is a composite of two channel cuts at IP + 1266 and IP + 1270. This was not included in the 660 assays approved through May which comprised the following:

9	Channels
31	Cars
620	Drill holes
660	

Not approved in the May voucher are 21 car samples that might be properly approved under a broad interpretation of the spirit of the contract. These comprise samples starting with 5465 and ending with 5490 at Drill Station No. 5. By strict adherence to the terms of Amendment No. 2, the car samples do not follow prior channel sampling. However, during my inspection of April 25, report dated May 2, I cut a channel of the sheared contact that was included in Car Sample 5465. The Operator, subsequently to taking some of the car samples in this zone, took Composite Channel Sample 5485 mentioned above. While the composite channel might properly be disallowed, it seems that disallowance of the car samples, which certainly show that the zone is well mineralized, simply because they were not preceded by a favorable channel sample, although technically correct, might be waived.

See Feb. Op. Report

I would appreciate your comments on the above-approved assays and the possibility of approving those from Sample 5465 through Sample 5490.

D. R. MacLaren

D. R. MacLaren

OMe (3)

OFFICIAL FILE COPY O. M. E RECEIVED JUL 18 1963		
DATE	INITIALS	CODE
7/18	Received	500
7/18	Murphy	

So. 157 Howard Street
Spokane, Washington 99204
July 16, 1963

Air Mail

Mr. J. G. Roscoe
Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: Work Authorization
OMX-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

Authorization to drive the No. 2 raise at the location indicated in your letter of July 2, 1963, and on the map which accompanied it is hereby given.

No amendment to the contract will be necessary to permit driving the raises three compartments as contract specifications are minimums and may be exceeded; however, the fixed unit cost figures are maximums and cannot be exceeded.

I am sorry for the delay in replying to your letter of July 8, 1963, but I have been out of the office.

I plan to visit the property July 25 for an interim inspection.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OMX
Region I

DRMaclaren:mis

cc: OMX(3)
Voucher file
Maclaren
Reading copies to:
Nelson
Rittsgaard

Form 7
(0-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/11	Murphy	500
	Hussins	500
7/11	Fahrenbach	800
	JCS	130
7/12	Johnson	110
4	Frank	100
20	7/12/63	220
		500

JUL 12 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: GMM-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

This is to acknowledge receipt of the Operator's letter of July 2, 1963, in which Mr. Roscoe inquires if an amendment is necessary to permit the driving of raises with 3 compartments.

No amendment to the contract will be necessary since contract specifications are minimums and can be exceeded; however, the fixed unit cost figures are maximums and cannot be exceeded.

George C. Selfridge (gla)

FMMurphy/mm
7/11/63
cc: Director's Reading File
Review Committee
Docket

43683

OME (2)

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 10 1963

DATE	INITIALS	CODE
7/10	WD	800
	Forwarded	500
7/11	Murphy	500

So. 137 Howard Street
Spokane 4, Washington
July 8, 1963

Mr. J. G. Roscoe
Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

Your letter of July 2, 1963, arrived this morning. Mr. MacLaren is away from this office this week and will not return until next Monday, July 15. In order to try to save a little time, I am forwarding a copy of your letter and the enclosed sketch to our Washington, D. C. office today by air mail.

Sincerely yours,

Mary L. Smelser
For: D. R. MacLaren
Acting Field Officer, OME
Region I

MLSmelser:mls

cc: OME(2) w/ys incoming and cy
MacLaren encl'd sketch
Reading copies to:
Nolan
Kiilsgaard

PHONE:

CONTINENTAL MATERIALS CORPORATION

[redacted]

[illegible] SOUTH NINTH STREET, P. O. BOX 1[illegible], GRAND JUNCTION, COLORADO

July 2, 19[illegible]

Mr. D. R. MacLaren
Acting Field Office, OME
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Re: OME 6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al. claims
Contract No. 14[illegible]-000-214[illegible]

Dear Mr. MacLaren:

Pursuant to the description of [illegible] under the terms of the contract, we propose to locate the second of the two raises at a point about 1[illegible]0 feet from the portal, as indicated upon the enclosed sketch.

The raise will follow [illegible] of the vein (45°). The vein at this point carries the highest values [illegible] along the adit, although its appearance is similar to the entire structure between portal plus 1[illegible]0 and the face. It is believed that more information concerning this localization of ore can be obtained by raising at this point than in selecting a lower grade point nearer the face.

The first raise has been collared and timbered as a 3 compartment structure. The specifications stipulate a 2 compartment raise, therefore we would like to know if an amendment to that effect is necessary. We also intend to drive the second raise with 3 compartments. No

Very truly yours,

NORTHERN CONTINENTAL, INC.

J. R. Rosene
Consultant & Mining

JRR/ds
Incls.

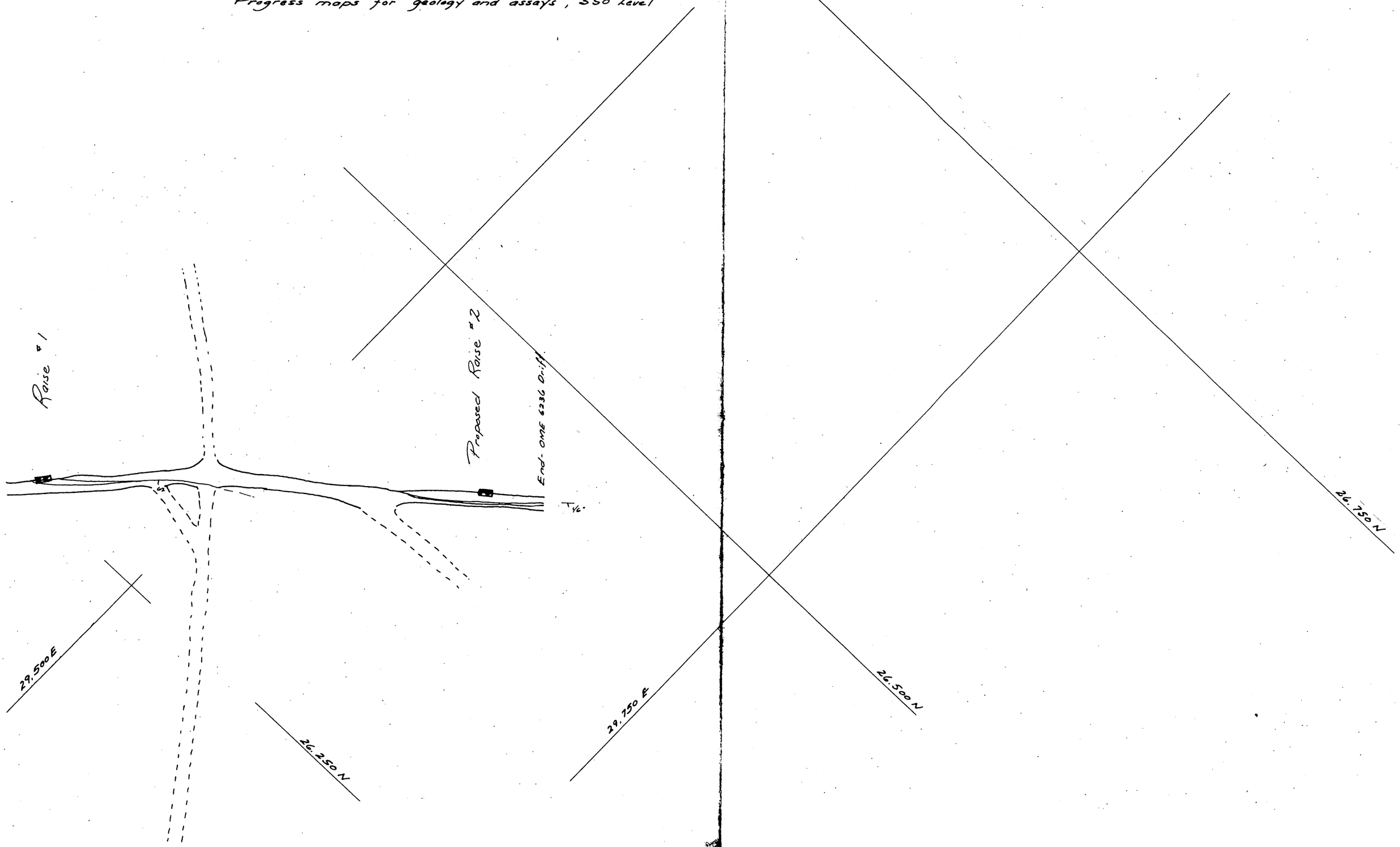
R DATE 7-2-63 SUBJECT GOLD BUG SHEET NO. ____ OF ____

CHKD. BY ____ DATE ____ PLAN SKETCH JOB NO. ____

Scale: 1 in = 50 ft

See OME Application, Exhibits 3e (1), (2) for geology

" " Progress maps for geology and assays, 550 level



MME FORM 6 REFERENCE SLIP

REV. 2-[redacted] OFFICE OF MINERALS EXPLORATION 6/[redacted]63

TO: ~~Chief, Div. of Field Operations~~	DATE	INITIALS
1.		
2. 500	Murphy	
3.		
4.		
5. DRMacLaren		

FROM: D. R. MacLaren, Acting Fld. Offr.,Reg. I

FOR: Check items for action desired

X Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	Your information	

REMARKS:

OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Transmittal of the Government's, Audit's, and Fiscal Section's copies of Amendment No. 2 to the subject contract signed by the Operator.

ONTINENTAL MATERIALS CORPORATION

820 SOUTH NINTH STREET, P. O. BOX 1530, GRAND JUNCTION, COLORADO

PHONE

OFFI[illegible] COPY
O[illegible]
RECEIVE[illegible] JUL 5 1963

DATE		
7/3	Hess	800
	Gravwell	500
	June [illegible], 1963	
	Murphy	500

Mr. D. [illegible] MacLaren
Acting Field Officer, OME
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold B[illegible] [illegible]al, Claims
Phillips[illegible], Montana
Contract [illegible] 200 [illegible]

Dear Mr. MacLaren:

Re[illegible] [illegible] June 19.

Sample No.	[illegible]	[illegible]
4944 X	[illegible]	[illegible]
[illegible] Y	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
5435	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
5452	[illegible]	[illegible]
5860	[illegible]	[illegible]
5876	[illegible]	1.7[illegible]

Samples 4944 and 4946 have not been [illegible], hence you have not received assay certificates for them. Samples 4656 and 4660 were erroneously included as car samples on the May 9 list.

[illegible],

NORTHERN CONTINENTAL, INC.

[illegible]
Superintendent of Mines

[illegible]

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 21 1963

DATE	INITIALS	
6/21	WD	800
6/25	Murphy	500

Rm 1/2)

Rm. 157 Howard Street
Spokane 4, Washington
June 19, 1963

Air Mail

Mr. J. G. Reeves, Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1990
Grand Junction, Colorado

Re: OMS-6836 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Reeves:

This is in further reference to my letter of May 1, and your reply of May 9, 1963, regarding vouchering of samples.

Under the terms of Amendment No. 2, our samples are authorized in lieu of channel samples in zones shown (i.e. by channel samples) to contain significant values in gold and/or silver.

In your May 9 letter you remark that you have not vouchered certain channel samples which have been taken. In order to clarify which our samples may now be approved for payment it will be necessary that I have the following data on all channel samples taken to date: sample number, location, and sampled width. I believe the information is on the Gendall Assay sheets which you have submitted. The number would be in the left-hand column of those sheets, however, the survey stations shown on the map are not numbered so the location should be referred to the start of drifting (IF plus ___ft) or a drill station (DS plus or minus ___ft). A simple tabulation headed as follows will do it:

Sample No.	Location	Width

If you will give me this information, I will be able to carry the ball from there; without it, all our samples except those in the vicinity of Sample No. 5450 and 5452 will have to be disallowed and adjustment made in your May voucher to compensate for those for which payment has already been made.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OMS, Region I

DRMacLaren:mls
cc: OMS(2)
Voucher file

MacLaren Reading copies to: Nolan; McElvey

So. 157 Howard Street
Spokane 4, Washington
May 28, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 31 1963

DATE	INITIALS	CODE
5/31	JEM	800
	Received	500
5/31	Murphy	

Northern Continental, Inc.
P. O. Box 1530
Grand Junction, Colorado

Re: ~~OME-6236 (Gold-Silver)~~
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

We are enclosing the original and four copies of a proposed Amendment No. 2 to your OME contract signed by the Director of OME for the Government.

If the proposed amendment is satisfactory, please sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned with a statement of your proposed changes for consideration.

You will note that car sampling is authorized only in those zones in which prior channel samples have shown significant values in gold and/or silver, and that channel samples are authorized where either structure and/or mineralization indicate their advisability.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren:my

cc: OME
Reading copies to:
Nelson
McKelvey

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/16	Murphy	500
	Fusnot	500
5/16	Talbert	800
	[illegible]	130
5/16	Johnson	110
9	[illegible]	100
5/16	Cal	220
		500

MAY 16 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OKM-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

With reference to your memorandum of May 2, 1963, enclosed are the original and four copies of a proposed Amendment No. 2, signed by the Director for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Thomas G. Beltridge (glo)

Enclosures

FMMurphy/mm
5/15/63
cc: Director's Reading File
Review Committee
✓Docket

43683

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	5/13/63	
2.		
3.		
4.		
5. D.R. MacLaren		

FROM: D. R. MacLaren, Act. Fld. Offr.
Region I

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Two copies of reply to our letter of May 1 to Mr. Roscoe re sampling procedures.

PHONE

ONTINENTAL MATERIALS CORPORATION

[redacted]

[redacted] SOUTH [redacted] STREET, P. O. BOX [redacted], GRAND JUNCTION, COLORADO

OFFICIAL [redacted]
O. M[redacted]
RECEIVED MA[redacted] 1963

DATE	INITIALS	CODE
5/15	[redacted]	800
	May 9, 1963	500
5/16	Murphy	[redacted]

Mr. D. R. Mackaren
Acting Field Officer, OME
Office of Minerals Exploration
South 157 Howard Street
Spokane 4, Washington

Re: [redacted] (Subsidiary)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 14-[redacted]-2148

Dear Mr. Mackaren:

Thank you for calling our attention to the discrepancy between our procedure in sampling and that specified by the referred provisions in the contract. The following list of samples is included to comply with requested data for a contract amendment. We are in agreement that bulk car samples, split, crushed, and resplit are more desireable than the channel samples in view of the nature of the mineralization and the character of the rock sampled. Unquestionably, an amendment should have been requested, but has been neglected due to inertia and misunderstanding, as well as to lack of decision that a combination of car samples and channels might be required to valuate particular areas of mineralization. For example, instances where a series of channels across the drift were necessary to differentiate the mineralized portion from country rock our procedure has been to do so at our sole expense while submitting invoices to OME for the car sample only. A check of sample tags shows that the preponderance of assays invoiced were car samples of rounds and the following samples were the only channel samples invoiced to OME.

Sample No.	Sample Width	Location, Portal Line
[redacted]	2'	[redacted]
[redacted]	2'	[redacted]

Samples numbered which were car samples are as follows:

4653	4656	2542	2556	2596	4656	4657
4654	4655	2543	2557	2596	4654	4658
4655	4657	2544	2558	[redacted]	[redacted]	4659
4656	2539	2545	2559	2598	[redacted]	[redacted]
4657	2538	2546	2560	2599	[redacted]	[redacted]
4658	2540	2549	2589	4651	4653	[redacted]
4660	2546	2550	2592	4652	4654	4673
4661	2547	2554	2594	4653	4655	4674

Continued:

ONTINENTAL MATERIALS CORPORATION

Mr. D. R. MacLaren
Acting Field Officer, OME
Re: OME-6236 (Gold-Silver)

May 9, 1963

4675	4696	4987	5422	5442	5466	5491
4676	4697	4990	5423	5447	5467	5492
4677	4698	5401	5424	5440	5468	5493
4682	4699	5404	5425	5443	5469	5494
4678	4700	5405	5426	5444	5470	5495
4679	4975	5406	5427	5445	5473	5499
4680	4976	5407	5428	5446	5474	5500
4683	4977	5408	5429	5449	5475	[illegible]
4684	4978	5409	5431	5451	5476	5503
4685	4979	5410	5432	5455	5477	5506
4686	4980	5412	5433	5456	5480	5507
4687	4981	5411	5434	5457	5481	5508
4688	4982	5413	5436	5458	5482	5509
4689	5414	5415	5437	5459	5483	5510
4690	4983	5416	5448	5460	5486	5511
4691	4984	5417	5430	5461	5487	5512
4692	5403	5418	5472	5462	5489	5513
4693	4988	5419	5471	5463	5289	5514
4694	4985	5420	5453	5464	5288	
4695	4986	5421	5454	5465	5490	

Samples nos. 2576,2579,2577,2575,2574,2569,2564,2567,2561,2563, 2565,2560,2573,2578,2581,2582,2584,2589, and 2693 were vouchered as long-hole samples inasmuch as they were from the first crosscuts driven. All other samples invoiced, which haven't been itemized, were long-hole samples. All samples invoiced for April were long-hole samples.

If you desire any further data to submit with amendment request we will be glad to furnish it.

Very truly yours,

NORTHERN CONTINENTAL, INC.

Joe O. Reebee
Mine Superintendent

JOR/ds

RECEIVED
MAY 13 1963
SPOKANE, WASH.

DRAFT
FMMurphy/gla
5-8-63

~~800~~
~~120~~
500

EXPLORATION CONTRACT
NORTHERN CONTINENTAL, INC.
OMM-6236

(Docket copy)

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1963, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Continental, Inc., hereinafter referred to as the "Operator," that Contract No. 2148 (OMM-6236), dated May 17, 1962, as amended, is further amended, effective May 17, 1962, as follows:

1. In Exhibit A, under General Provisions, the first paragraph is deleted and replaced as follows:

"When structure and/or mineralization indicate the advisability, drift and raises shall be sampled by cutting channels normal to the trend of the mineralization or structure. In zones shown to contain significant values in gold and/or silver, similar channel samples shall be taken at intervals of not more than 10 feet. In these zones composite car samples from each round may be substituted for channel samples. The cuttings from long-hole drill holes shall be recovered and if they show significant mineralization shall be sampled. Each such sample shall represent not more than a 5-foot length of hole. [redacted] ct."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NORTHERN CONTINENTAL, INC.

By_____

Title_____

OFFICIAL
RECEIVED
DATE
5/3

So. 157 Howard Street
Spokane 4, Washington
May 1, 1963

Mr. J. G. Roscoe, Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6836 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

During an interim inspection at the Gold Bug property April 23, 1963, it came to my attention that sampling of the drift has been done by taking car samples rather than "by cutting channels normal to the vein at intervals of not more than 10 feet," as specified in the first paragraph under General Provisions in Exhibit "A" of the contract. According to Mr. Franklin, car sampling in lieu of channel samples was started "at about G-16 plus 22 feet," which would be sample No. 5462 or 5463, but "some car samples" were taken before that point was reached.

In view of the irregularity of the gold values within short distances along the veins and in the wall rock, car sampling undoubtedly will give a better concept of the true value of any ore shoots, but without an amendment to the contract OME can participate in the cost of assaying only channel samples from the drift. In order that I may request a suitable amendment, will you please send me the sample widths of all channel sample assays for which payment has been claimed on past vouchers, identifying each by the sample numbers shown on your progress maps. Without this information, we can only assume that all drift samples have been car samples, and, without an amendment, adjustment will have to be made on a future voucher to reimburse OME for payments already made for this item.

The cost of assaying long-hole samples is not involved, and rather than hold up your March voucher until this question is settled I will simply delete the amount claimed for drift sampling. To avoid confusion, you should continue to voucher the car sampling, and, if the contract is amended to allow it, the amount withheld will be released for payment.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my
cc: OME(2)
CFF

Reading copies to: Helen McKelvey

So. 157 Howard Street
Spokane 4, Washington
March 19, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 21 1963

DATE		CODE
3/22	Transmitted Naughton	500

Mr. J. G. Roscoe, Mine Superintendent
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: Work Authorization
OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

As requested in your letter of March 8, 1963, authorization is hereby given to drive a raise as specified in the contract above mentioned. The raise shall be located approximately at co-ordinates 26,260N-29,425E, as shown on the map accompanying your letter.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:ny

cc: OME
Audit
Fiscal Sect.
Docket
MacLaren

So. 157 Howard Street
Spokane 4, Washington
March 13, 1963

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 18 1963
DATE
3/18 Vio 800
3/19 Received Murphy 500
500

Mr. J. G. Roscoe, Mine Superintendent
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

We are returning herewith your Operator's Monthly Voucher, MME Form 60, as we note the Operator's name at the top of the form is shown as Northern Continental Uranium, Inc., instead of Northern Continental, Inc. Will you kindly make the necessary correction and return the voucher to us. An extra set of forms is enclosed for that purpose.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren:ny

cc: OME(2)
CPF
Reading copies to:
Nolan
McKalvey

M 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORA

TO:	DATE	INITIALS
1. Chief, Divn. of Field Operations	11/2/62	
2.		
3.		
4.		
5. D.R. MacLaren		

FROM: D. R. MacLaren, Act. Fld. Offr.
Region I

FOR: Check items for action desired

X Action	____ Reply for signature of ____	
____ Approval	____ Investigate	____ Surname
____ Comment	____ Recommendations	____ Signature
____ Conference	____ Rewrite	____ File
____ Instructions	____ Your information	

REMARKS: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Bulldozer operator's invoice for hours worked in June forwarded with June voucher.

OFFICIAL FILE COPY
O.M.E.
OCT 31 1952

CONTINENTAL MATERIALS CORPORATION

[illegible] NINTH STREET, P.O. BOX [illegible] GRAND JUNCTION, COLORADO

October 31, [illegible]

[illegible]
Working Field Officer, OME
Room 107 [illegible] Street
Spokane 4, Washington

[illegible] (Gold-Silver)
[illegible]

[illegible] Phillips County, [illegible]
Contract 21[illegible]

Dear Mr. MacLaren:

Thank you for the return of our copy of the September voucher.

I am sorry about the confusion concerning the amount of bulldozing units performed; apparently the explanation was not been sufficiently clear. The units vouchered in June, July and August were not actual hours of work performed, and perhaps the 4th paragraph of the narrative report for June should be amplified.

The actual hours performed for June amounted to 83.5 with the D-6 dozer. Inasmuch as we did not realize that this variation from contract specifications was not acceptable (at the time), we reported the number of hours spent as the equivalent of fewer hours at the authorized rate: viz. 83.5 hours x $12.50 = 69.6 hours x $15.00. Therefore, when the amendment was approved, the hours vouchered in September were the actual hours of work performed for June, pro-rated against appropriate work items to total 80 hours which was the total authorized by the amendment.

The units on MMC Form 61 for September were intended to replace those carried in June, July and August. We feel this is justifiable inasmuch as the amount currently vouchered for is less than amount originally set up in the contract and that 3.5 more hours were performed than are vouchered for. No additional dozer work has been done since June.

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 29 1962

DATE		
10/29	Hoy	800
	~~Gruchot~~	500
10/29	~~Murphy~~	~~500~~
	6236	

So. 157 Howard Street
Spokane 4, Washington
October 25, 1962

Mr. J. G. Roscoe
Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

Returned herewith is the Operator's copy of your September, 1962, voucher, which was apparently inadvertently included with the original and three copies we require.

Your attention is called to the last sentence, Article I(b) of the contract, which states, "The Government will contribute 50 percent of the total fixed unit costs of the work performed, etc." It appears that you have misunderstood this contract specification. In your vouchers for June, July, and August, you indicated that 47.5 bulldozer units were performed under "Roads and Trails" and that 22.1 units were performed under "Other Surface Work," described as excavation and preparation of portal site. These two work items appeared to have been satisfactorily completed when I inspected the property August 29, 1962. Because a D-6 dozer was used in place of the D-8 specified in the original contract, Amendment No. 1 was prepared so that the smaller dozer could be used, and the hourly rate was reduced to $12.50, as outlined in my letter of July 25, 1962.

In your September voucher, you have raised the number of hours of bulldozing under each heading mentioned above to 54.6 and 25.4 hours, respectively. The total of these figures equals the maximum 80 hours allowable, but as the increases are not accounted for only the hours previously certified as having actually been performed will be authorized for payment at this time. If the additional work has actually been done, you may reclaim the difference in your next voucher, accompanying your claim with an invoice from the dozer operator.

I plan to visit the property November 8, 1962. Hope I can beat any serious snowfall and that I will meet Mr. Franklin or you if your schedule conforms.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosure

DRMacLaren:my
cc: OME(2)
CPF
Reading copies to:
Nolan
McKelvey

170

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
September 24, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 26 1962

DATE	INITIALS	CODE
9/26	cac	210
9/27	~~[illegible]~~	500
~~10/8~~	~~Murphy~~	

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Enclosed are the Government's, Audit's, and Fiscal Section's copies of Amendment No. 1 to the subject contract, which have been signed by the Operator.

D R MacLaren
D. R. MacLaren

Enclosures

So. 157 Howard Street
Spokane 4, Washington
September 18, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 20 1962

9/20 [illegible] 8.00
Grievves 500
[illegible] Murphy

Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Gentlemen:

In accordance with our letter of July 25, 1962, to Mr. J. G. Roscoe, we are enclosing the original and four copies of a proposed Amendment No. 1 to your contract, signed by the Acting Director of OME for the Government.

If the proposed amendment is satisfactory, please have all five copies signed for the company and return four copies to this office, retaining the Operator's copy for your records.

If the amendment is not satisfactory in all respects, please return all copies unsigned with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
September 17, 1962

SEP 19 1962

DATE	INITIALS	CODE
9/19		8.00
9/20		5.00
9/20	Murphy	

Mr. J. G. Roscoe
Superintendent of Mines
Northern Continental, Inc.
P. O. Box 1350
Grand Junction, Colorado

Re: OME-6036 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

The certification on the back of the Form MME-60, which, of course, does not appear on the photocopies, must be signed by the field representative before the voucher can be processed. The photocopies of the Form 61 might be acceptable, but I am not sure. Therefore, in order not to delay processing any longer than necessary, I am returning herewith the three photocopies of each form which you submitted as part of your voucher for August, along with the appropriate MME forms for completion. I am keeping the original copies, which are on the printed form, as well as the supporting data to accompany the three copies. Also enclosed for your future use is a three months' supply of forms MME 60 and 61. If you will notify us when you run out of forms, we will endeavor to have a new supply in your hands in time for your next voucher.

I made an interim inspection of the contract work August 29. Unfortunately it was not feasible to give any advance notice of the inspection, and Mr. Franklin had gone to Malta for supplies. I did not have the time to go over the surface with any thoroughness, but after traversing the road cut northwesterly and southeasterly and talking to the miner it looked to me as if the tunnel was northwest of and almost parallel to the vein zone. The miner said that topographic considerations governed the location of the portal, which makes sense, and that when you got out of the faulted and blocky ground you intend to turn the workings to the right until you cut the structure. In view of my hasty look and possible misconception on the part of the miner, is this correct?

Hope I will stumble on you during a future inspection.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures
DRMacLaren:ny
cc: OME (2)
Reading copies to: McKelvey, Nelson

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
9/11	Murphy	500
9/14	Talbot	800
9/11	in leave	130
9/14	Johnson	110
9/14	in leave	100
9/14	[illegible]	220
		500

SEP 1 4 1962

Memorandum

To: Acting Field Officer, Region I

From: Acting Chief, Division of Field Operations

Subject: OMK-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Philips County, Montana
Contract 2148

With reference to your memorandum of July 25, 1962, enclosed are the original and four copies of a proposed Amendment No. 1, signed by the Acting Director for the Government. Also enclosed is an extra copy of the amendment for your use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have your approval or that of the Operator and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

W. R. Griswold (gla)

Enclosures

FMMurphy/gla
9-11-62
cc to: Director's Reading File
Review Committee
Docket

43683

DRAFT
8/3/62
FMMurphy/gla

EXPLORATION CONTRACT
NORTHERN CONTINENTAL, INC.
OME-2148

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and Northern Continental, Inc., hereinafter referred to as the "Operator," that Contract No. 2148 (OME-6236), dated May 17, 1962, is amended, effective May 17, 1962, as follows:

1. In Exhibit A:

(a) Under Description of the Work, the specification "D-8 Caterpillar bulldozer" in the last sentence of the first paragraph is revised to read "D-6 Caterpillar bulldozer."

(b) Under Estimated Cost of Project, Fixed Unit Costs, the first specification is deleted and replaced as follows:

80 hours bulldozing access road and portal site, @ $12.50/hr. $1,000.00

and the figures $76,300.00 and $38,150.00 for the Total Estimated Cost of Project and Government Participation @ 50% are replaced by the figures $76,100.00 and $38,050.00, respectively.

(c) In Article I.(b) of the contract the figures $76,300.00 and $38,150.00 are replaced by the figures $76,100.00 and $38,050.00, respectively.

This amendment reduces the cost of bulldozer work, the estimated total cost of the project, and the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

NORTHERN CONTINENTAL, INC.

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
July 25, ~~1956~~ 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 27 1962

DATE	INITIALS	CODE
7/27	[illegible]	800
		120
7/30	[illegible]	500
7/31	Murphy	~~500~~

Memorandum

To : Chief, Division of Field Operations

From : Acting Field Officer, Region I

Subject: Amendment OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al. claims
Phillips County, Montana
Contract 2148

The subject contract specifies that "The bulldozer used in constructing the road and portal site shall not be smaller than a D-8 Caterpillar bulldozer or equivalent unit of any other make."

The Operator's Narrative Report accompanying his voucher for June 1962 states:

> "Efforts to secure a D-8 bulldozer, or its equivalent, were begun May 28, but such a machine could not be procured except at prohibitive rates and transportation costs due to missile site construction, highway building programs and local construction in the area. Repetitive, heavy rains in Montana during May and June contributed to road washouts and agricultural activity, resulting in a heavy demand for such equipment. Therefore a D-6 bulldozer was procured following the lengthy delay and has performed satisfactorily.
> "This unit has operated at a cost of $12.50 per hour which has been converted to the equivalent rate of $15.00 per hour permitted under the contract for the accounting required on OME Forms 60 and 61."

The Operator's claim for bulldozing was not approved and he has been advised that it cannot be unless the contract is amended.

In view of the Operator's difficulty in obtaining a D-8 bulldozer and his statement that the D-6 has performed satisfactorily, it is recommended that the contract be amended to allow the use of a D-6 dozer for 80 hours at $12.50 per hour. This will reduce the authorized dozer cost from $1,200.00 to $1,000.00, the total project cost from $76,300.00 to $76,100.00, and the Government's participation from $38,150.00 to $38,050.00.

D. R. MacLaren

FILE COPY
JUL 27 1962
CODE
800
500

So. 157 Howard Street
Spokane 4, Washington
July 25, 1962

7/27

Mr. J. G. Roscoe, Supt. of Mines
Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug et al Claims
Phillips County, Montana
Contract 2148

Dear Mr. Roscoe:

The claim for bulldozing an access road and a tunnel site made in your voucher for June 1962 could not be approved.

The contract specifies that this work shall be done with a bulldozer "shall not be smaller than a D-8 Caterpillar bulldozer or equivalent unit of any other make." The contract price of $15.00 per hour is contingent upon this specification. As your Narrative Report states that the work was done satisfactorily with a D-6 dozer at a rate of $12.50 per hour I am requesting that an amendment be prepared to authorize use of a D-6 at $12.50 per hour. If the contract is so amended you may reclaim the dozer work.

Sincerely yours

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME

So. 157 Howard Street
Spokane 4, Washington
May 31, 1962

OFFICIAL FILE COPY
RECEIVED

6/4 400 800
Murphy 500

Northern Continental, Inc.
P. O. Box 1350
Grand Junction, Colorado

Re: ~~OME-6236 (Gold-Silver)~~
Northern Continental, Inc.
Gold Bug, et al, Claims
Phillips County, Montana

Gentlemen:

We are enclosing a 3-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61. The completed report forms, as well as the narrative, maps, assays, and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done for that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit B. of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment.

In addition, enclosed is a copy of a poster which should be posted in a conspicuous place available to both employees and applicants for employment.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
Nobbs
Guild

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 28, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 31 1962

DATE	INITIALS	CODE
5/31	Case	210
	~~Brown~~	500
~~5/31~~	~~Murphy~~	

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana
Contract 2148

Enclosed are the Government, Audit, and Fiscal Section copies of the subject contract, which were received here today. Two copies of the Operator's letter of transmittal are also enclosed.

D. R. MacLaren

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 28 1962

DATE	INITIALS	CODE
5/29	D	200
		120
	Murphy	500
		225

RECEIVED
MAY 29 1 50 PM '62
GSA-REGION 3
TCS
COMMUNICATIONS

AXXXXXXXB096K

AXXXXXXXB097K

XDXXXXXXB098K

YWA063-WAF SP 17 I-MME

SPOKANE WASH 5-28-62 1129U

GEORGE FUMICH JR DIRECTOR OFFICE OF MINERALS EXPLORATION

USDI WASH DC

RE: OME-6236/GOLD-SOLVER/ NORTHERN CONTINENTAL INC. GOLD BUG ET AL CLAIMS, PHILLIPS COUNTY, MONTANA. CONTRACT EXECUTED BY OPERATOR RECEIVED MAY 28, 1962.

D R MAC LAREN ACTG FIELD OFCR OME REGION 1

CFM OME-6236 28 1962

HLC 1142U

CORRN 4TH WD FIRST LINE SILVER RPT SILVER

PHONE: 292-2140

CONTINENTAL MATERIALS CORPORATION

EXECUTIVE OFFICE: 4534 W. NORTH AVENUE • CHICAGO 39, ILLINOIS

May 24, 1962

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 28 1962

DATE	INITIALS	CODE
	Murphy	500

Mr. W. R. Griswold, Chief
Division of Minerals
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D.C.

Dear Mr. Griswold:

Our office has just received the contract for exploring the subject property. I have had appropriate information inserted, the copies have been executed and they have been forwarded to Mr. D. R. MacLaren at Spokane, Washington.

On behalf of Continental Materials Corporation and all of us who have worked on the application, I want to extend our sincerest thanks to you and your staff for your cooperation, and for the efficient, expeditious manner in which you handled our matter.

C. H. Reynolds, our General Superintendent, and I are most grateful for the time you were kind enough to spend with us and for the attention you have given to this contract.

Sincerely,

CONTINENTAL MATERIALS CORPORATION

By Sidney M. Gunther
Sidney M. Gunther

cs

So. 157 Howard Street
Spokane 4, Washington
May 21, 1962

OFFICIAL FILE COPY
RECEIVED O. M. E
DATE MAY 23 1962
5/24 Received
5/24 Murphy
500

Mr. Willard Gidwitz, President
Northern Continental, Inc.
4534 West North Avenue
Chicago 39, Illinois

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana

Dear Mr. Gidwitz:

Enclosed are the original and four copies of a proposed contract for the subject property, Gold Bug, et al., Claims. The contract consists of MME Form 51 (Short Form) as revised, Annex I (two pages), and executed Lien or Subordination Agreement, Exhibit A (three pages), Exhibit B, and two maps.

If the contract meets with your approval, kindly insert in Article 1(a) the date on or before which work will commence, and sign the original and all copies; keep the Operator's Copy and return the original and remaining three copies to this office. Please note that the signer must be certified by the secretary of the company (page 6 of MME Form 51).

If any part of the contract does not have your approval, please return all copies unsigned with a statement of the proposed changes for consideration.

The 6 percent interest mentioned in Article 1(c) accrues from the dates upon which individual payments are made by the Government and, like the principal, is repayable from royalty on production.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

DRMacLaren:my
cc: OME
Reacing copies to:
Nolan
Hobbs
Guild

ME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/16	Murphy	500
	Griswold	500
5/16	Talbot	300
5/16	[illegible]	130
"	Johnson	110
5/16	Tenerch	100
5/17	Coe	220
		500

MAY 1 7 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OMK-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana

Enclosed are the original and four copies of a proposed exploration contract with Northern Continental, Inc., signed by the Director for the Government. The contract consists of MMK Form 51 (Short Form) as revised, Annex I (two pages), an executed Lien or Subordination Agreement, Exhibit A (three pages), Exhibit B, and two maps. Also enclosed for your use is an "Extra Copy for Field Office" (MMK Form 51 as revised, Annex I, and Exhibit A).

If the contract is satisfactory to you and the Applicant, kindly insert the starting date and have an authorized representative of the corporation sign the original and four copies. You will note that the signer must be certified by the secretary (page 6 of MMK Form 51). Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6 percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant and cannot be altered within your delegated authority, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Mr. Sidney M. Gunther and Mr. C. H. Reynolds of the applicant corporation visited the Washington Office to discuss the program outlined in Mr. Griswold's letter of April 24, 1962, copies of which were forwarded to you. After considerable discussion, they agreed to accept the program as outlined in the attached contract.

George C. Selfridge

(2/2)

Enclosures

FMMurphy/gla
5-16-62
cc to: Director's Reading File
Review Committee
Docket

43683

Form 7
)-58)

OFFICIAL FILE COPY

Date	Surname	Code

April 30, 1962

Memorandum to the File

From: W. R. Griswold, Chief
Division of Minerals

Subject: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana

On Friday, April 27, the undersigned received a phone call from Sidney M. Gunther, Chicago, Illinois. With reference to our April 24 letter to the Applicant, in which we suggested that their proposed program be trimmed down, Mr. Gunther suggested that he and the company's engineer come to Washington to see us and discuss the matter. Their engineer is presently in Grand Junction, Colorado. I told Mr. Gunther that, of course, any applicant was always welcome to come to see us at any time and they might come if they wished.

Later in the afternoon, after the undersigned had gone home, Mr. Gunther's secretary spoke with Mrs. Grace Ault and suggested that Mr. Gunther and Mr. Reynolds would arrive in Washington May 2, by plane, at 10:45 a.m., and would like to take me to lunch. According to my previous instructions to Mrs. Ault that we do not accept luncheon engagements, she told Mr. Gunther's secretary that I would be glad to see them at any time and suggested that Mr. Gunther phone from the airport when he and Mr. Reynolds arrive.

W. R. Griswold

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/23	Murphy	500
	Friend	500
4/24	Johnson	120
"	Johnson	110
4/	Jensen	100
4/25	[illegible]	220
		500

Mr. Willard Gidwitz
President
Northern Continental, Inc.
4534 West North Avenue
Chicago 39, Illinois

APR 24 1962

Re: OME-6236 (Gold-Silver)
Northern Continental, Inc.
Gold Bug, et al., Claims
Phillips County, Montana

Dear Mr. Gidwitz:

The information submitted with your application for financial assistance in exploring the subject property has been reviewed by this Division.

We find that the requests to the banks were made by Continental Materials Corporation rather than the Applicant. Will you, therefore, kindly submit new requests made by Northern Continental, Inc., and the banks' replies. Also, please submit a statement from the Continental Materials Corporation advising that it would not finance the entire cost of the proposed exploration work.

see May 1 letters left-hand side

With respect to the proposed project, it appears that the work outlined is excessive in relation to the presently known potential of the Gold Bug vein system. However, we would consider a part of the work proposed under Stage I, such as the access road, about 1500 feet of drifting, some long-hole drilling, and two 100-foot raises to further explore favorable areas in the drift.

If you wish us to continue processing your application based on this reduced program, please advise and submit the above-requested letters and statement.

This letter should not be construed as an assurance that a contract would be granted.

Sincerely yours,

W. R. Griswold (gla)

W. R. Griswold, Chief
Division of Minerals

FmMurphy/gla
4-23-62
cc to: Director's Reading File
Region I (2)
Docket

43683

April 16, 1962

Northern Continental, Inc.
P. O. Box 1550
Grand Junction, Colorado

Subject: OME - 6236

Gentlemen:

Your application for exploration assistance, dated March 5, 1962 submitted to our office at Spokane, Washington has been assigned Docket Number OME-6236.

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

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region I

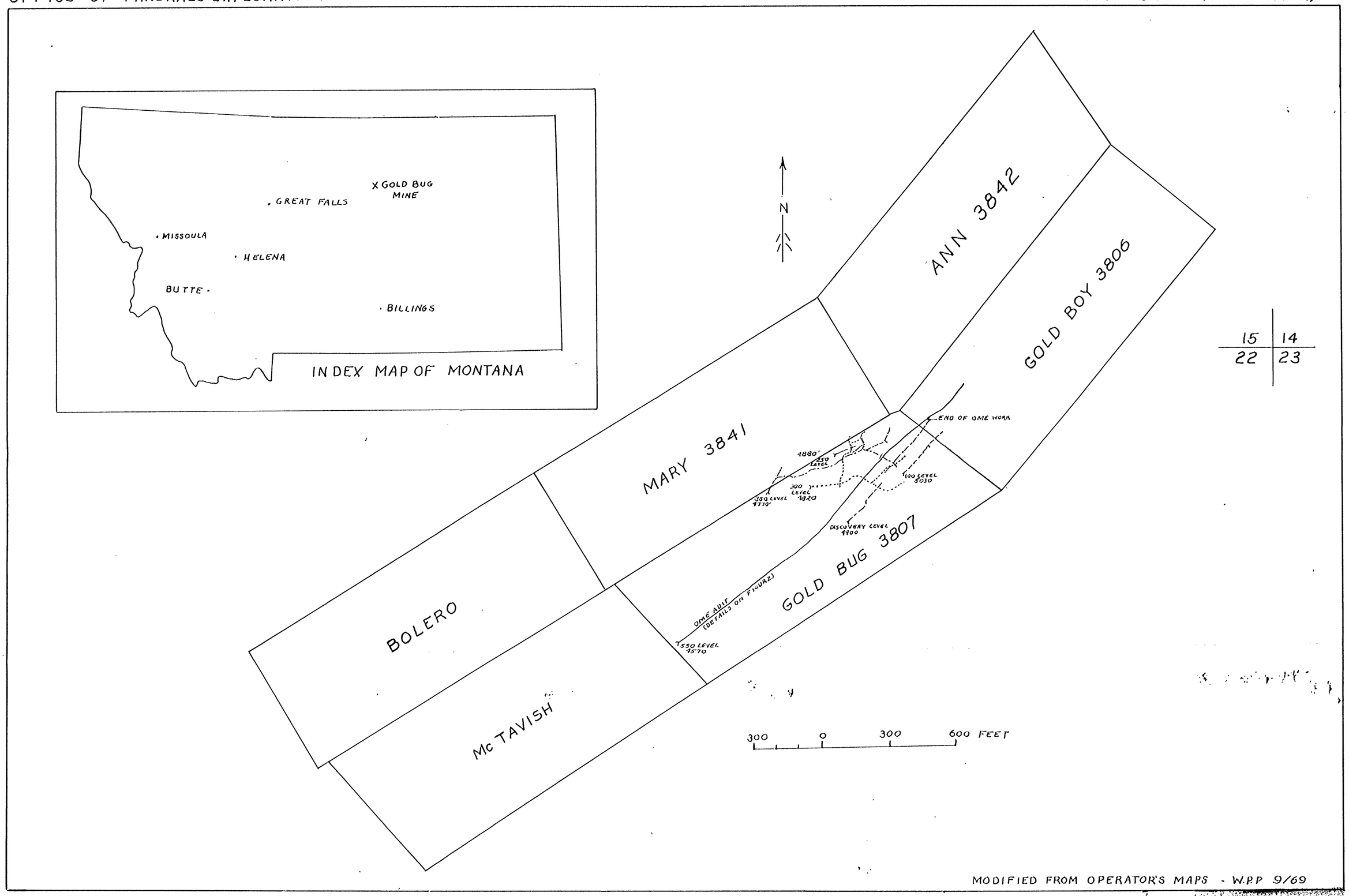


FIGURE 1. CLAIM MAP AND INDEX MAP, GOLD BUG MINE, T.25N., R.24E., PHILLIPS COUNTY, MONTANA

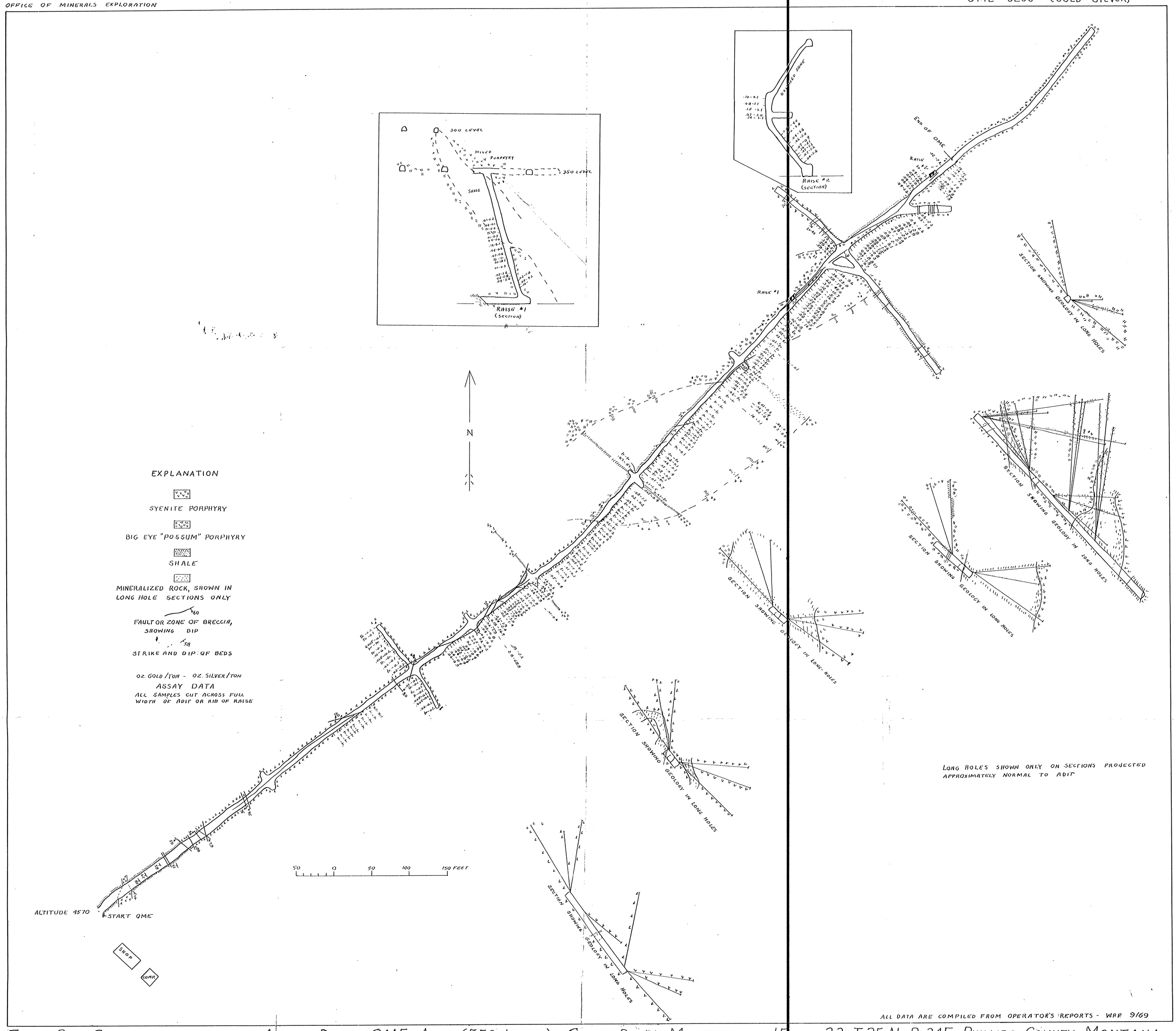
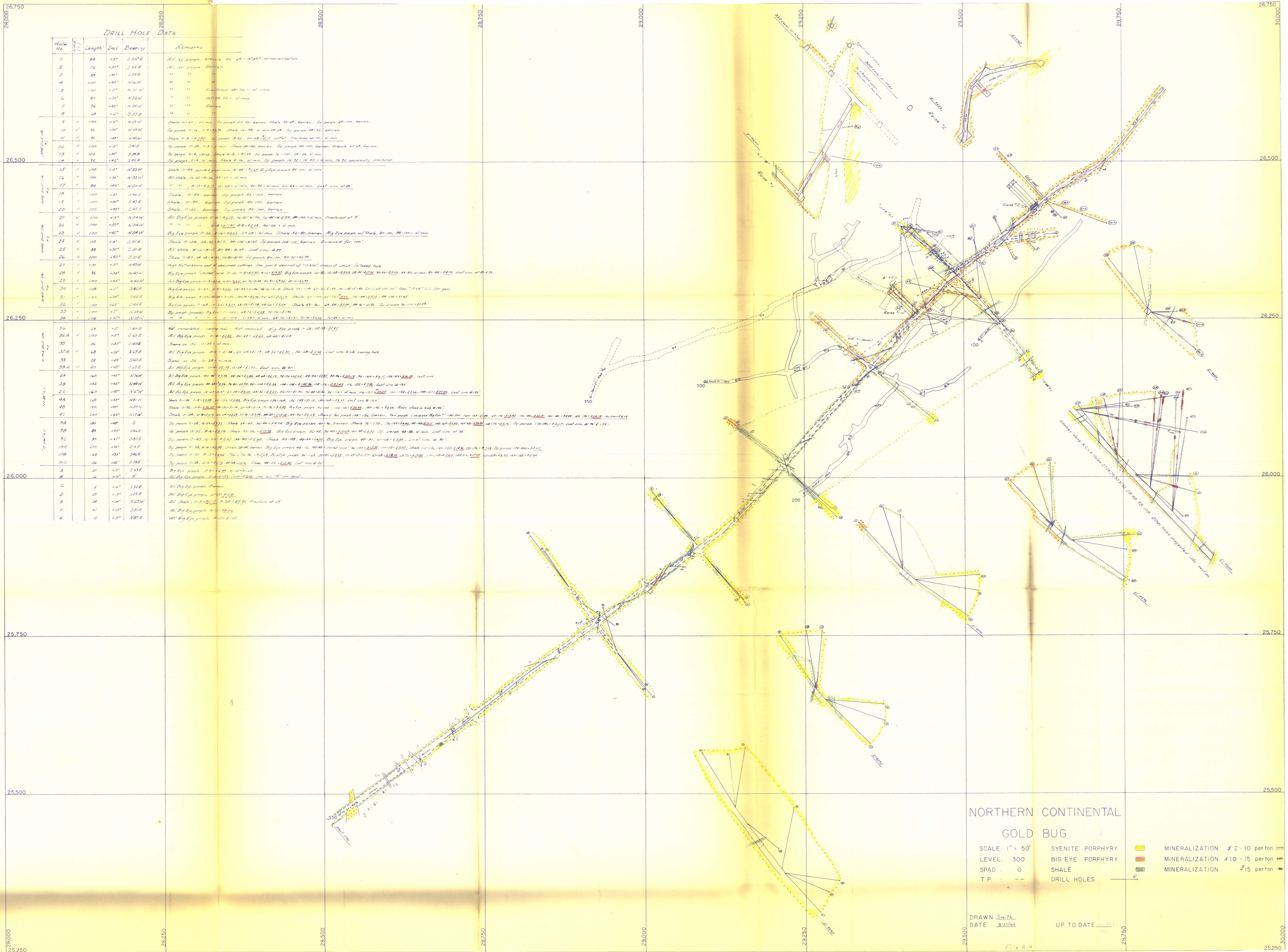


FIGURE 2. GEOLOGIC MAP AND ASSAY DATA- OME ADIT (550 LEVEL)- GOLD BUG MINE, SECS. 15 AND 22, T.25 N., R.24E., PHILLIPS COUNTY, MONTANA



DRILL HOLE DATA

Station	Hole No.	O.M.E. (✓)	Length'	Incl.	Bearing	Remarks
	1		84	+5°	S33°E	All sy. porph., breccia 56-64 - slight mineralization
	2		76	+30°	S32E	All sy. porph. Barren
	3		88	+45°	S33E	" " "
	4		100	+45°	N16W	" " "
	5		100	+5°	N37W	" " Fractured 64-72 = sl. min.
	6		80	+30°	N36W	" " FeO 28-32 = sl. min.
	7		96	+45°	N35W	" " Barren
	8		64	+12°	S57E	" " "
OME Drill Sta. #1	9	✓	100	+5°	N39W	Shale 0-20, sl. min. Sy. porph. 20-52, barren. Shale 52-64, barren. Sy. porph 64-100, barren.
	10	✓	92	+30°	N39W	Sy. porph 0-16, 0-4 = $2.96. Shale 16-48, sl. min. 24-28. Sy. porph. 48-92, barren.
	11	✓	92	+45°	N40W	Shale 0-8 = $3.42. Sy. porph 8-92, 20-28 = $2.17 w/FeO. Fractured 60-72, sl. min.
	12	✓	100	+5°	S41E	Sy. porph. 0-24, 0-8 = sl. min. Shale 24-40, barren. Sy. porph 40-100, barren, breccia 60-64, barren.
	13	✓	100	+30°	S39E	Sy. porph. 0-4, = $1.65. Shale 4-16, = $1.29. Sy. porph. 16-100, 24-36, sl. min.
	14	✓	92	+45°	S42E	Sy. porph. 0-4, sl. min. Shale 4-16, sl. min. Sy. porph. 16-92, 16-40 = sl. min, 76-92 apparently fractured.
OME Drill Sta. #2	15	✓	100	+5°	N53W	Shale 0-84, pyrite & green min, 4-48 = $2.69. Big Eye porph 84-100, sl. min.
	16	✓	100	+30°	N53W	All shale, 16-32 = $1.36, 32-60 = sl. min.
	17	✓	84	+45°	N50W	" ", 4-12 = $2.17, 12-28 = sl. min, 36-44 = sl. min, 52-84 = sl. min. Lost circ. at 84'
	18	✓	100	+5°	S46E	Shale, 0-52, barren. Sy. porph. 52-100, barren.
	19	✓	100	+30°	S47E	Shale, 0-40, barren. Sy. porph 40-100, barren.
	20	✓	100	+45°	S45E	Shale, 0-32, barren. Sy. porph 32-100, barren.
OME Drill Sta. #3	21	✓	100	+5°	N54W	All Big Eye porph, 0-16 = $6.29, 16-32 = $1.79, 76-84 = $2.53, 84-100 = sl. min. Fractured at 4'.
	22	✓	100	+30°	N54W	" " " ", 0-4 = $11.80, 4-8 = $2.38, 40-44 = sl. min.
	23	✓	100	+45°	N54W	Big Eye porph, 0-52, 8-16 = $4.22, 20-24 = sl. min. Shale 52-80, barren. Big Eye porph w/Shale, 80-100, 84-100 = sl. min.
	24	✓	112	+5°	S51E	Shale 0-104, 24-32 = $1.71, 84-104 = $1.62. Sy. porph 104-112, barren. Invoiced for 100'.
	25	✓	88	+30°	S51E	All shale, 8-12 = $1.17, 80-84 = $1.64. Lost circ. @ 89'.
	26	✓	100	+45°	S51E	Shale 0-80, 64-68 = $1.62, 76-80 = $1.92. Sy. porph 80-100, 80-92 = $2.74
OME Drill Sta. #4	27	✓	100	+5°	N43W	High H_2O pressure past 12' obscurred cuttings. See geol & descript. of "17 NW" crosscut which followed hole.
	28	✓	92	+30°	N43W	Big Eye porph "chilled" zone 0-12, 0-8 = $5.85, 8-12 = $19.37. Big Eye porph 12-92, 12-28 = $3.39, 28-32 = $17.02, 32-56 = $3.22, 56-80 sl. min, 80-84 = $4.70. Lost circ. at 80 & 92.
	29	✓	100	+45°	N43W	All Big Eye porph. 0-8 = $3.16, 16-20 = $12.11, 20-32 = $1.48, 40-44 = $9.52, 64-72 = $3.94
	30	✓	108	+5°	S42E	Big Eye porph 0-60, 0-4 = $2.36, 28-44 = $1.86, 48-52 = $1.18. Shale 60-108, 60-72 = $1.89, 96-108 = $1.40. Invoiced for 100'. See "17 SE" X.C. for geol.
	31	✓	100	+30°	S42E	Big Eye porph 0-60, 4-24 = $1.54, 28-32 = $6.92, 36-60 = $3.10. Shale 60-100, 60-72 = $19.32, 72-84 = $5.13, 84-100 = $1.65
	32	✓	100	+45°	S42E	Big Eye porph 0-68, 0-20 = $3.00, 28-32 = $1.78, 48-68 = $5.59. Shale 68-96, 68-84 = $2.04, 88-96 = $1.42. Sy. porph 96-100 = $1.54
	33	✓	100	+7°	N39W	Sy. porph (possibly Big Eye), 0-100, 64-72 = $4.38, 72-76 = $1.92
	34	✓	100	+27°	N37W	" " " " ", 0-100, 0-24 = sl. min. 68-72 = $1.21, 72-76 = $2.62, 76-84 = sl. min.
O.M.E. Drill Sta. #5	36		28	+5°	S40E	Not completed, caving hole. Not invoiced. Big Eye porph 0-28, 24-28 = $2.87
	36A	✓	100	+5°	S69E	All Big Eye porph. 0-4 = $2.82, 56-64 = $2.62, 64-68 = $1.68
	37		36	+30°	S40E	Same as 36. 0-24 = sl. min.
	37A	✓	68	+32°	S69E	All Big Eye porph. 0-4 = $1.66, 20-24 = $1.19, 28-52 = $2.30, 56-68 = $11.22. Lost circ. @ 68', caving hole.
	38		28	+45°	S40E	Same as 36, 0-28 = sl. min.
	38A	✓	40	+45°	S69E	All Big Eye porph. 0-4 = $2.02, 16-24 = $1.52, Lost circ. @ 40'.
"17 SE" X.C.	2A		160	+45°	N76W	All Big Eye porph. 40-44 = $7.72, 52-56 = $2.86, 64-68 = $2.13, 72-76 = $2.02, 84-92 = $2.87, 92-96 = $30.10, 96-160 = $6.11, 156-160 = $16.24, lost circ.
	2B		152	+45°	N44W	All Big Eye porph. 44-48 = $2.26, 76-80 = $2.70, 92-104 = $2.32, 104-108 = $16.28, 108-116 = $37.43, 116-152 = $7.86. Lost circ. @ 152'.
	2C		160	+15°	N6W	All Big Eye porph. 12-20 = $2.67, 20-24 = $3.20, 28-32 = $2.27, 56-72 = $1.96, 76-88 = $1.96, 96-116 = sl. min., 116-120 = $20.34, 120-148 = $5.66, 148-160 = $27.04, Lost circ. @ 152'.
	4A		164	+45°	N8W	Shale 0-136, 0-4 = $3.34, 64-136 = $2.82. Big Eye porph 136-164, 136-148 = $1.15, 150-164 = $3.07. Lost circ. @ 160'.
	4B		192	+45°	N29W	Shale 0-96, 0-4 = $32.20, 44-56 = $1.14, 60-68 = $1.18, 76-96 = $3.89. Big Eye porph 96-192, 112-116 = $22.42, 140-192 = $2.66. Rods stuck in hole @ 192'.
	4C		200	+45°	N17W	Shale 0-124, 0-4 = $2.16, 20-24 = $2.28, 52-80 = $3.74, 84-88 = $15.58, 88-92 = $2.64. Shale & tan porph 124-136, barren, Tan porph (oxidized Big Eye?) 136-200, 160-164 = $2.88, 164-172 = $13.45, 172-180 = $22.31, 180-184 = $8.84, 184-196 = $20.14, 196-200 = $8.49
"17 NW" X.C.	9A		180	+48°	S	Sy. porph 0-24, 16-20 = $3.32. Shale 24-40, 36-40 = $4.74. Big Eye porph 40-96, barren. Shale 96-172, 136-144 = $4.46, 144-148 = $17.11, 148-164 = $2.32, 164-168 = $33.94, 168-172 = $5.16. Sy. porph 172-180, = $2.60. Lost circ. @ 96' & 172'.
	9B		88	+41°	S46E	Sy. porph 0-32, 8-16 = $3.74. Shale 32-36, = $15.38. Big Eye porph 36-48, 36-40 = $10.28, 40-44 = $5.50. Sy. porph 48-88, sl. min. Lost circ. at 88'
	9C		80	+47°	S80E	Sy. porph 0-40, 12-20 = $2.61, 36-40 = $2.60. Shale 40-48, 40-44 = $6.16. Big Eye porph 48-80, 60-64 = $3.30. Lost circ. @ 80'.
	10A		200	+35°	S16E	Sy. porph 0-28, 8-16 = $2.94. Shale 28-44, barren. Big Eye porph 44-112, 44-48 = "chilled zone", 96-100 = $15.00, 100-112 = $3.37. Shale 112-176, 120-132 = $14.36, 132-176 = $5.18. Sy. porph 172-200 = $3.60
	10B		168	+33°	S46E	Sy. porph 0-32, 8-12 = $4.42. Shale 32-36, = $5.68. Big Eye porph 36-168, 36-40 = $3.92, 60-64 = $6.57, 64-68 = $38.56, 68-72 = $13.40, 100-108 = $7.60, 108-112 = $17.44, 112-124 = $3.57, 164-168 = $5.94
	10C		56	+32°	S78E	Sy. porph 0-48, 12-16 = $[illegible], 44-48 = $5.12. Shale 48-56, = $12.80. Lost circ. @ 56'
	A		37	+15°	S69E	Big Eye porph. 5-9 = $2.49, 21-25 = $1.68
	B		16	+10°	N	All Big Eye porph. 5-13 = $1.59, 13-16 = $2.62. See X.C. "B" for geol.
	C		8	+16°	S32E	All Big Eye porph. Barren.
	D		25	+17°	S25E	All Big Eye porph. 21-25 = $11.81
	E		24	+14°	N23W	All Shale, 0-5 = $11.17, 5-24 = $5.50. Fracture at 13'
	F		21	+10°	S51E	All Big Eye porph. 13-17 = $4.66
	G		15	+5°	N85E	All Big Eye porph. 8-15 = $1.43

NORTHERN CONTINENTAL

GOLD BUG

SCALE: 1" = 50'
LEVEL: 300
SPAD: 0
T.P.: --

SYENITE PORPHYRY — MINERALIZATION $2-10 per ton
BIG EYE PORPHYRY — MINERALIZATION $10-15 per ton
SHALE — MINERALIZATION +$15 per ton
DRILL HOLES

DRAWN Smith
DATE 8/27/62

UP TO DATE

File A-4