Audit copy

RESCISSION OF EXPLORATION PROJECT CONTRACT

It is agreed this 6th day of September, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Duncan and Smith Mining Company, a partnership comprised of J. A. Duncan, Marion, North Carolina, and Paul Smith, Marion, North Carolina, parties to that certain Exploration Project Contract No. Idm-41101 (Docket No. DMEA-4658) dated June 14, 1957, that said Contract is hereby rescinded, revoked, and cancelled as of June 14, 1957, before any work has been performed or any costs have been incurred thereunder, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

DUNCAN & SMITH MINING COMPANY

By J. A. Duncan
J. A. Duncan (Partner)

By Paul Smith
Paul Smith (Partner)

800

DMEA Form 14

Contract No. Idm-E1101

Docket No. 4658

DEPARTMENT OF THE INTERIOR

Contract Cancelled

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 14, 1957	V	North Carolina	Mica

Name and Address of Operator: Duncan & Smith Mining Co.
Marion
North Carolina

	Reserve	Obligation
Prior Amount	0	7,110.00
Increase	0	0
Decrease	0	7,110.00
Revised Amount	0	0

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 7/26/57

16416

DMEA Form 14

Contract No. Idm-E 1101

Docket No. 4658

DEPARTMENT OF THE INTERIOR

Executed contract

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 14, 1957	V	North Carolina	Mica

Name and Address of Operator: Duncan & Smith Mining Co.
Marion
North Carolina

	Reserve	Obligation
Prior Amount	$7,110.00	0
Increase	0	$7,110.00
Decrease	$7,110.00	0
Revised Amount	0	$7,110.00

Remarks:

ALLEN S. DAKAN
(Name)

Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/26/57

16416

OFFICIAL FILE COPY
A[illegible]t copy DMEA
RECEIVED JUN 26 1957

DATE	INITIALS	CODE
		800

MF-200A
(Rev. April 1956)

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT
(Short Form)

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4658	Mica	1101	Ashe	North Carolina

It is agreed 14 JUN 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and DUNCAN AND SMITH MINING COMPANY, a partnership comprised of J. A. Duncan, Marion, North Carolina, and Paul Smith, Marion, North Carolina,

whose mailing address is c/o J. A. Duncan, General Delivery Marion, North Carolina
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before AUG 1 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 10 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 project work is $9,480.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $7,110.00, in accordance with the provisions of Articles 4 and 5.

(c) 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 property rights.*—(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 rights 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: Interests of Lessors.

(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 Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached, as follows: Consent to Lien and Subordination Agreement of Lessors.

(c) The Operator shall preserve and maintain his right, title, and 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 percentage royalty on production and lien for the payment thereof. Two 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, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations 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 also after certification of discovery or development, to inspect production operations and underground workings. 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, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses 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) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; 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 progress report and voucher). 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 percentage 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 in the opinion of the Government 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 making or completion of such 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 a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain his interest in the land), shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, 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, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid 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. Any costs of treatment processes, sampling, assaying, or transportation performed or paid by the Operator or by anyone other than the buyer are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, 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.

(d) *Unsold production.*—If any production (ore, concentrates, 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, concentrates, 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) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—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, as above provided in this Article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *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 Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner 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 the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. 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 a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the 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.

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

DUNCAN AND SMITH MINING COMPANY
(Operator)

By C O Mittendorf
Administrator, Defense Minerals
Exploration Administration

By L A Duncan (Partner)
By Paul Smith (Partner)

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 26 1957
DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
DUNCAN AND SMITH MINING COMPANY
DOCKET NO. DMEA-4458

ANNEX I

The land referred to in Article 2 of the contract is known as the Littles Mine, and is held by the Operator under a lease dated January 23, 1957, from Lewis Aldridge, Corinna Aldridge, and Helen McBee, recorded in Book T-3 of Deeds on pages 347 to 348. The property is located 2.4 miles S 82° E from the center of Jefferson, Ashe County, North Carolina. The mining area is located on two tracts known as the Fred Little property (Second Tract) and the Lonnie Little property (First Tract). The attached Map No. 1, entitled "Survey and Plat of Littles Property Leased to Duncan & Smith," shows the metes and bounds of the property lines as follows:

First Tract (Lonnie Little property)

Beginning at a Spanish oak on the line between the two tracts, thence N 58° E 375 feet, thence S 72-30 E 328 feet to a rock, thence S 12 E 338 feet, thence S 82 W 921 feet to a marker, thence along the Fred Little property N 6 E 257 feet, thence N 4-30 W 73 feet, thence N 2 E to the point of closing.

Second Tract (Fred Little property)

Beginning at a marker common to the Fred and Lonnie Little properties, thence N 6 E 257 feet, thence N 4-30 W 73 feet, thence N 2 E 264 feet, thence N 9-45 E 189 feet, thence N 4 W 136 feet to a locust, thence N 66 W 334 feet, thence N 60-30 W 231 feet, thence N 60-20 W 132 feet, thence N 62-30 W 225 feet, thence S 9 W 148 feet, thence S 4-30 W 92 feet,, thence S 66-30 W 36 feet, thence S 21 W 108 feet, thence S 66 E 98 feet, thence S 6 W 165 feet, thence S 1-30 E 198 feet, thence S 31 E 99 feet, thence S 25-30 E 132 feet, thence S 39 E 98 feet, thence S 71 E 726 feet to the point of beginning.

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

RECEIVED
MAR 6 1957
D.M.E.A.

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1101
Contract Date 14 JUN 1957

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Ashe, State of North Carolina, described as follows: 2/ in a lease dated January 28, 1957 and recorded in Book t-3 of Deeds on pages 347 to 348 From Helen McBee, Bakersville, N. C. & Lewie Aldridge & Corinna Aldridge of Spruce Pine, N. C. all of Mitchell County, N.C.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. 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;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

3. Subordinates the undersigned's right, title, claim, or interest 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. 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 lines blank.)

None

1/ Mining or 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 23 January, 1957, and recorded in Book 45, Page 347 to 348, official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

5. 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 copies of such notice; and

6. 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.

7. Added provision: None (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

_____ [Seal] Helen McBee [Address]

_____ [Seal] Lunie Aldridge [Address]

_____ [Seal] Connie Aldridge [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, 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.

_____

[Corporate Seal]

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 2 1 1967
DATE | INIT. | CODE

EXPLORATION PROJECT CONTRACT
DUNCAN AND SMITH MINING COMPANY
DOCKET NO. DMEA-4658

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the attached Map No. 2 entitled "Listles Mine, Ashe County, North Carolina, DMEA-4658." The work is divided into three stages. The Operator shall complete Stage I, and shall perform as much of Stages II and III as is approved in writing by the Government.

Stage I

1. To establish the contents, excavate a trench 140 feet long by 10 feet wide by an average of 8 feet deep, aggregating not more than 415 cubic yards of excavation.

2. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.

(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unflooored; shall be made from unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

The powder and exploder magazines shall be bound on all sides; shall be made from 2-inch hardwood or 3-inch softwood lumber; and shall be braced at the corners. No metal shall be exposed; and the doors shall be equipped with the equivalent of a 5-tumbler jarproof lock.

3. From a point on the surface approved by the Government, sink a two-compartment vertical or inclined shaft a distance of not more than 60 feet.

Stage II

Explore the pegmatite by driving from or near the bottom of the shaft, not more than 100 feet of drifts and/or crosscuts.

Stage III

Extend the level work of Stage II by driving not more than 100 feet of drifts and/or crosscuts.

The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All underground work shall be performed on the pegmatite or in as close proximity thereto as possible. The crosscuts shall be driven from contact to contact and as nearly normal to the indicated strike of the pegmatite as possible.

The location, inclination, direction, and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

Stage I

1. Excavate trench, 415 cubic yards @ $0.30/cu. yd. (rounded)		$ 125.00
2. Construct:		
Toolhouse1/	$ 76.00	
Powder Magazine1/	25.00	
Exploder Magazine1/	14.00	115.00
3. Sink shaft, 60 feet @ $44.00/ft.		2,640.00

Stage II

Drift and/or crosscut, 100 feet @ $33.00/ft.	3,300.00

Stage III

Drift and/or crosscut, 100 feet @ $33.00/ft.	$3,300.00	
Estimated Total Cost of Project		$9,480.00
Government Participation @ 75%		$7,110.00

1/ The completed work constitutes the unit.

DMEA Form 14

Contract No. Idm-E 1101

Docket No. 4658

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Obligation Document

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

Please make the following entry on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program.

Date of Contract	Region	State	Commodity
June 14, 1957	V	N. Carolina	Mica

Name and Address of Operator: Duncan and Smith Mining Company
Marion, North Carolina

	Reserve	Obligation
Prior Amount	0	0
Increase	$7,110.00	0
Decrease	0	0
Revised Amount	7,110.00	0

Remarks:

(Name)
Allen S. Dakan, Chief
Operations Control and
Statistics Division
(Title)

Date Delivered to Bureau of Mines, Washington 6/14/57

16418

JUNE						1959
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JUNE 1959

JULY						1959
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APPOINTMENTS

7 A. M. .....

8 A. M. .....

9 A. M. .....

10 A. M. .....

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1 P. M. .....

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6 P. M. .....

DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4685

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
Contract Amendments (latest on top)
Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
Leases and assignments of leases
✓ Application and attachments
(3) Envelope for maps

Right Side

Project summary
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report (Tab)
Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
On-site Exam Report(s) (Tab) 5-29-57
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

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

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 18 1957

DATE	INITIALS	CODE

March 12, 1957

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

Re: New Application (Copper-Lead-Silver)
Joseph J. Mason and George J.
Evankovich (Partnership)
Silmont No. 1 and No. 2 Lode Claims
Jefferson County, Montana

Dear Mr. Selfridge:

Enclosed are three copies of an application for DMEA assistance to explore for copper-lead-silver ore in Jefferson County, Montana.

The applicants propose to drive 80 feet of crosscut to intersect a vein said to be 2.5 feet wide, at an estimated cost of $3,215. If this application is referred to the field and an examination shows the property to have merit, the project should be expanded to include at least 200 feet of drifting along the vein. This will be taken up with the applicant if an examination is requested.

We have no information in our files on the Silmont property, at least under this name.

By Field Team, Region I, NW Dist.

A. E. Weissenborn

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew

Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
Geologist

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
MAR 11 1957
U. S. G. S.
SPOKANE, WASH.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 4685
Metal or Mineral Copper-Lead-Silver
Date Received 3-18-57
Estimated Cost $3,215.90
Participation (Government %)

RECEIVED MAR 18 1957 D.M.E.A.

3/21/57 - [illegible]

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

Joseph J. Mason
1126 So. Arizona
Butte, Montana

George J. Evankovich
1126 So. Arizona
Butte, Montana

Partnership

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Silmont No. I and Silmont No. 2, Lode Claims situate in Cataract Mining District, Jefferson County, Montana

(*b*) State any mine name by which the property is known. No other name

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Applicants are owners

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it none

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Book 48, Page 485 for Silmont No. I
Book 48, Page 486 for Silmont No. 2

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore copper, lead and silver

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 15 days and be completed within 1½ months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

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.

Dated March 8, 1957

Joseph J. Mason
(Applicant)
George Lamont Morris

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

Joseph J. Mason and George J. Evankovich
1126 South Arizona St.
Butte, Montana PARTNERSHIP

4 (a) Vein of copper, lead, silver and gold exposed by shaft 35 feet in depth which is now partially caved. We are now driving a crosscut at an elevation approximately 100 feet lower than the apex. At this time this crosscut is advanced to 90 feet.

The purpose of applying for the exploration loan is to advance this crosscut approximately 80 feet to reach and explore the vein.

Property is accessible at all times.

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DATE | INITIALS | CODE

4 (b) No previous production records.

4 (c) Type of deposit is a vein. Information obtained from previous claim holders indicates vein of copper, lead and silver ores approximately $2\frac{1}{2}$ feet wide with tendency to widen with depth. Assay of ore by applicants shows 8.66 copper, 1.30 lead and 29.60 ozs. silver.

4 (d) Property situated approximately 2 miles northeast of Basin, Montana and approximately 1 mile off U.S. Highway No. 91. However, it will be necessary to bulldoze approximately 800 feet of road which can be done at the cost of $120.00.

Ores may be shipped to either East Helena plant of the A.S.R. (approximately 40 miles) or to the Washoe Sampler plant of the Anaconda Company in Butte, Montana (approximately 28 miles).

4 (e) All required items listed here are available.

5 (a) Copper, lead, and silver.

5 (b) To advance the crosscut as described in 4 (a), eighty (80) feet.

5 (c) within 15 days - completed within 6 weeks.

5 (d) Applicant Joseph J. Mason an experienced miner with 25 years of service with Anaconda Company and independent mining concerns in the Butte district, including considerable experience as acting foreman for the Butte Mines Merger Corporation.

Applicant George J. Evankovich is student at Montana School of Mines. He has approximately four years mining experience.

6 Estimate of costs.
Applicants estimate the total cost of the project at $3215.90.

6 (a) None.

6 (b) Project will require 2 miners at prevailing local wage rate for small operations of $19.00 per day for eight hour shift. On basis of the 5 day work week prevalent in the area the wages will total $190.00 per week. This means $1,140.00 for duration of project.

6 (c) Mine rail and track supplies $250.00. Pipe and fittings $200.00. Timber $210.00. Blasting supplies $150.00. Gas and oil for compressor $120.00. 2 picks, 2 axes, 2 shovels, 1 saw, 1 rock hammer, 2 pipe wrenches, 1 blow pipe, 1 mucking sheet, 1 drill hole scraper, 50 lbs. nails, and 1 crimper, totalling $114.40.

6 (d) Project will require the following items: Gasoline driven air compressor, rock drill (Jackleg), drilling steel and bits, air hose, lubricator, water hose, water tank, mine car, mine truck, and 2 five gallon gas containers. All these items are available for rent at the cost of $320.00 per month which amounts to $480.00 for the 6 week period proposed for project.

6 (e) None.

6 (f) Project will require the building of compressor room which may be erected at the cost of $165.00. Cost of bulldozing 800 feet of road will cost $120.00

Total under 6 (f) is $285.00.

6 (g) Workmen's Compensation, Social Security and Un-employment Compensation at $30.00 per week, totalling $180.00. Estimate cost of sampling and essaying for duration of the project - $69.00. Rock drill oil - $16.50, carbide - $10.00.

6 (h) None.

7 (a) Yes.

7 (b) Applicants propose to furnish their share of costs in money. This means that the applicants will pay half the costs of labor, materials and supplies, rental of equipment, installation of compressor-room, bulldozing road and miscellaneous requirements.

Joseph J. Mason

Joseph J. Mason

George J. Evankovich

George J. Evankovich

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/9	[illegible]	500
4/9	[illegible]	120
4/11	Johnson	110
		~~100~~
4/10	C	220
		500

APR 10 1959

Mr. Joseph J. Mason
1126 South Arizona
Butte, Montana

Re: Docket No. DMEA-4685 (~~Copper-Lead~~)
Joseph J. Mason & George J.
Evankovich, partnership
Silmont No. 1 & No. 2 Lode Claims
Jefferson County, Montana

Dear Mr. Mason:

In response to your request, dated April 2, 1959, we are enclosing a copy of the regulations for obtaining Federal assistance in financing mineral exploration under which the new Office of Minerals Exploration will operate. Also enclosed are six copies of the application forms (MME Form 40). Please complete and return four of these forms.

Your attention is called especially to the certification which when signed declares that you would not ordinarily undertake the proposed exploration under current conditions and circumstances at your sole expense, and to item 1(a) - and 1(b) if applicable - which relates to information used to determine your financial eligibilty.

In addition to the information required under 1(a) of the application, you must state, in connection with the loan solicited from the banks, whether or not any collateral was offered by you and Mr. George J. Evankovich. We should also have financial statements, showing net worth, assets and liabilities of you and your partner.

Please submit all information requested as complete as possible and one of the essentials is a property map showing where you propose to do your exploration work. Complete information expedites the processing of an application.

Sincerely yours,

W. R. Griswold (er)

W. R. Griswold, Chief
Division of Base Metals

JWAlt/er 4/9/59
Copy to: Docket
Dir Read File
Region I (2)
Chron.

Enclosures

43683

Butte, Montana
April 2, 1959

United States Department Of The Interior
Defense Minerals Exploration Administration
Washington, D.C.
Att. Mr. Frank Johnson, Administrator

Re: Docket No. DMEA-4685 (Copper-Lead)
Joseph J. Mason and George J, Evankovich, partnership Silmont No. 1 and No. 2 Lode Claims, Jefferson County. Montana.

Dear Sir:

In March of 1957 I made application to your office, together with my partner, for exploration assistance on the Silmont Lode Claims, located in Jefferson County, Montana.

Upon examination of the property by the DMEA Field Team of Spokane, Washington, it was decided that the probability of disclosing significant ore reserves at that time was not promising enough to justify Government participation. A letter from your office, dated July 28, 1957, therefore denied our application until further work on the claims may justify making another application.

Since then we have done considerable work on the property, by exposing the vein with bulldozer cuts; driving the adit to a distance under the vein and to assure depth and haulage way; clearing timber and dozing a road to the property, along with timbering and installing haulage track. We now feel that this additional work, with the exposing of the vein, since the examination of the property by your representatives from Spokane, reveals evidence that would justify Government participation.

Therefore, we wish to make another application for exploration assistance. Please send me the necessary material and application forms.

Thanking you in advance, I am

Sincerely yours,

Joseph J. Mason

Joseph J. Mason
1126 South Arizona
Butte, Montana

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O. M. E.
RECEIVED APR 6 1959

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4/8	aib.	500

Bart 95

1126 South Arizona
Butte, Montana
April 2, 1959

Mr. Frank Johnson
Administrator, DMEA
Washington, D.C.

Dear Sir:

I discussed with Mr. John Cole of the Butte Manganese and Development Company, my application for exploration aid on the Silmont Lode Claims.

Mr. Cole advised me that the past Administrator of DMEA is no longer at your office, and suggested I write to you.

If, in addition to the information I set forth in the enclosed letter, it is necessary for me to send your office assay sample returns or other material or information, please let me know so that I can send them without delay.

And thank you for any consideration and assistance you may give to our application.

Sincerely yours,

Joseph J. Mason

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 6 1959

DATE	INITIALS	CODE

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

So. 157 Howard Street
Spokane 4, Washington

November 13, 1957

DMEA RECEIVED NOV 18 1957		
DATE	INITIALS	CODE
11/18	C	220
11/18	Jwa	500
		225

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

Re: Docket No. DMEA-4685 (Copper-Lead-Silver)
Joseph J. Mason & George J. Evankovich
Silmont No. 1 and No. 2 lode claims
Jefferson County, Montana

Dear Mr. Selfridge:

When I was in Washington last week, I was asked about the status of an application from Mason and Evankovich. I said I was under the impression that the application had been denied.

Since my return to Spokane I have checked the status of this application and find that in the Administrator's letter of denial the applicant was advised, "If you do additional work which reveals evidence which could materially alter this opinion, be assured that we will be pleased to consider a new application."

As we have not received any further application, we consider this application as denied and any move to reopen the application is up to the operator.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM (2)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	[illegible]	500
	[illegible]	500
6/28	[illegible]	130
6/28	[illegible]	130
6/28	[illegible]	130
"	[illegible]	110
"	[illegible]	100
		255

JUN 28 1957

Mr. Joseph J. Mason
and
Mr. George J. Evankovich
1126 South Arizona
Butte, Montana

Re: Docket No. DMEA-4685 (Copper-Lead)
Joseph J. Mason and George J. Evankovich, partnership
Silmont No. 1 and No. 2 Lode Claims
Jefferson County, Montana

Gentlemen:

Your application for aid for an exploration project and other data available to us in Washington have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting some copper-lead mineralization on your property, indicates to us that the probability of disclosing significant ore reserves is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We regret the necessity of taking such action; however, it is taken without prejudice to your property. If you do additional work which reveals evidence which could materially alter this opinion, be assured that we will be pleased to consider a new application.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

JWAlt/er 6/27/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Region I, NW, Dist. (2)
Chron.

Sincerely yours,

E. B. Mittendorf
Administrator

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/27	[illegible]	SOV.

June 27, 1957

Memorandum

To: The Administrator

From: Director, Division of Base Metals

Subject: Denial without prejudice of Application, Docket No. DMEA-4685, Joseph J. Mason and George J. Evankovich, partnership, Silmont No. 1 and No. 2 Lode Claims, Jefferson County, Montana, Copper-Lead.

The cited application, dated March 8, 1957, was received by this office on March 18. On March 27, the application was referred to the Field Team for their consideration, a field examination of the property if warranted, and recommendation.

The Applicants proposed to extend a 90-foot adit 80 feet to intersect a vein said to be about 2.5 feet wide, at an estimated cost of $3,215.90. It was suggested that if the property was worthy of consideration, that the project should be expanded to include at least 200 feet of drifting along the vein.

The Field Team examined the property on April 25, 1957. The old shaft, reported to be 35 feet deep with a short drift at the bottom, was too caved and crumpled to enter and examine. Near the surface of this shaft, there are two indistinct veins of altered material. The shallow pit up the slope also shows an oxidized vein containing chalcedony, quartz, copper carbonates and oxides. Two samples of this mineralized material were taken for assay. The assays indicate a mineralized quartz and chalcedony vein of ore grade, but of unknown width or attitude.

The examiners explained to the Applicants that due to the heavy overburden and the caved condition of the shaft, it would be inpossible to determine the attitude or thickness of the reported ore vein, or to take samples for chemical analysis. It was also explained to the Applicants that no advice could be given as to whether or not the present crosscut should be extended in the same direction,

or whether it should be turned to intersect the vein. The Applicants stated they would clean out the upper part of the old shaft so that the vein could be examined. They were to inform the examiners when this work was completed, but to date there are no indications or report that the work has been started.

The Field Team states:

"In view of the above situation, the examining team concurs in believing that an exploration program at this time is not warranted. If the applicants carry out their verbal agreement of clearing out the rubble and slope wash which has fallen into the shaft so that examination of the vein could be made, a re-examination of the property and new recommendation can be made, but as the situation now stands, the examiners agree that the application should be denied without prejudice."

We concur with recommendations of the Field Team and the commodity members of the USGS and the USBM that the application be denied without prejudice to the property.

W R Griswold

W. R. Griswold

JWAlt/er
Copy to: Admr R File
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

June 21, 1957

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Memorandum Examination Report, Docket No. DMEA 4685 (copper-lead), Joseph T. Mason and George J. Evankovich, Silmont No. 1 and No. 2 Lode Claims, Jefferson County, Montana

The examiners surveyed and mapped the workings and exposures of the property. Two samples, one from the shallow pit and one from the caved shaft dump showed values of 5.97% Cu - 13.30 oz. Ag/ton and 10.10% Cu - 18.20 oz. Ag/ton respectively.

The vein exposures are indistinct in the caved shaft and on surface and the examiners found insufficient geologic evidence to justify Government participation in an exploration program at this time. Accordingly, they recommend that the application be denied without prejudice to the property.

I concur in that recommendation.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U. S. G. S.
F. D. Lamb
F i l e s

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RECEIVED JUN 24 1957

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6/24	C	220
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IN REPLY REFER TO:

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RECEIVED JUN 21 1957

DATE	INITIALS	CODE
6/21	JWS	220
6/24	JWA	500

6/26

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 21, 1957
Re: DMEA 4685
Jos. J. Mason and Geo. J. Evankovich
Silmont Group
Jefferson County, Montana
$3,215.90 - Copper-lead-silver

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Report

The applicants requested assistance in driving an 80-foot extension of a 90-foot crosscut to cut the downward extension of a $2\frac{1}{2}$-foot vein, said to be in a caved shaft, sunk in quartz monzonite.

The examiners mapped the openings of the prospect, but due to caving could not determine for certain the strike of the vein in the shaft. It appears probable the crosscut, which the applicants propose to extend, parallels the vein and probably should be turned and driven about 120 feet to intersect the presumed vein.

Samples of material on the dump of the shaft and from a shallow pit show good copper-silver values and indicate there are good grade veins at hand, but the width, strike and attitude cannot be determined. The applicants expressed a willingness to clean up the cut and shaft to permit determination of those facts, but such has not been done. The examiners and Field Team recommend that the application be denied but are ready to re-examine if and when the vein can be seen to better advantage.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

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RECEIVED JUN 17 1957

DATE	INITIALS	CODE
6/17	C	220
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6/24	C	220
6/26 6/24	JWA	500

June 11, 1957

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

Re: Docket No. DMEA-4685 (Copper-Lead)
Joseph J. Mason and George J. Evankovich
Silmont No. 1 and No. 2 Lode Claims
Jefferson County, Montana

Dear Mr. Selfridge:

Enclosed are four copies of a memorandum report from R. D. Sample, Geologist, Geological Survey, and J. A. Bowsher, Mining Engineer, Bureau of Mines, discussing the examination of the Silmont lode claims in Jefferson County, Montana.

The examiners state that an old shaft presumably on the vein was filled with debris and that outcrops were obscured or covered by deep overburden. Ore minerals can be found on the dump, but the strike, dip, and thickness of the presumed vein are all unknown.

The examiners recommend that the application be denied but that the property be re-examined whenever the applicants clean out the upper part of the caved shaft so that the vein can be seen.

The Field Team concurs with this recommendation.

By Field Team, Region I, NW District

A. E. Weissenborn
A. E. Weissenborn, Executive Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures
cc: USBM(2)
USGS(SRO)
Sample

Reviewed by
DMEA OPERATING COMMITTEE
6-21-57
(date)

DMEA

ON-SITE Report

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 17 1957

DATE	INITIALS	CODE
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		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

May 29, 1957

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: R. D. Sample, Geologist, U. S. Geological ~~Survey, and~~
J. A. Bowsher, Mining Engineer, U. S. Bureau of Mines

Subject: Examination report, Docket No. DMEA-4685 (Copper-Lead), Joseph J. Mason and George J. Evankovich, a partnership, Silmont No. 1 and No. 2 Lode Claims, Jefferson County, Montana

INTRODUCTION

Messrs. Joseph J. Mason and George J. Evankovich of Butte, Montana, in an application, dated March 9, 1957, applied for Government aid to explore the Silmont No. 1 and Silmont No. 2 lode claims located in the Cataract Mining District, Jefferson County, Montana. The applicants propose to extend an existing crosscut to intersect a reported quartz-chalcopyrite vein which contains commercial grade copper, lead, and silver minerals. The vein is said to be 2½ feet wide when formerly worked from the surface and to be increasing in width downward. The applicants request aid for an 80-foot extension of a 90-foot adit driven into the slope, about 80 feet below the surface workings, to intersect the vein at its downward extension (pl. 1). The total estimated cost of this crosscut is $3,215.90, of which the Government's participation would be $1,607.95.

The property was examined on April 25, 1957, by D. M. Pinckney and R. D. Sample, Geologists, Geological Survey, and J. A. Bowsher, Mining Engineer, Bureau of Mines, accompanied by Bill Mason, brother of Joseph J. Mason, applicant, who guided the examiners to the property by jeep and showed them the surface workings and claim corners on the east end line of the Silmont No. 1 claim. The Silmont claim to the west was not seen, nor is it important as to surface workings.

A Brunton and tape survey was made of the property to determine the position of the adit, caved shaft, and shallow pits

Reviewed by
DMEA OPERATING COMMITTEE
6-21-57
(date)

to the east end line of the Silmont No. 1. A level map of the crosscut showed the adit to be extending approximately N. 70° E. into the barren, quartz monzonite country rock for a distance of about 90 feet (pl. 1). A continuation of this crosscut would not intersect the caved shaft as believed by the applicants.

The old shaft, reported to be 35 feet deep with a short drift at the bottom, was too caved and crumpled to enter and examine. Near the surface of this shaft there are two indistinct veins of altered material. One of the narrow veins is composed mainly of chalcedony, and the other is composed mainly of quartz, limonite, and chalcopyrite particles. Both these veins strike in a northeasterly direction and are badly weathered and altered where exposed. Scattered fragments of quartz, limonite, chalcopyrite, and copper carbonates were found on the shaft dump. Some of these fragments were up to 12 inches in width indicating they came from a vein at least that wide. The shallow pit up the slope also shows an altered, oxidized vein containing chalcedony, quartz, copper carbonates and oxides. Two samples of this mineralized material were taken for assay with the following results:

Sample	Ag oz./ton	Au oz./ton	Cu %	Pb %	Zn %
From shallow pit	13.30	0.02	5.97	Tr.	0.05
From caved shaft dump	18.20	0.03	10.10	0.10	1.40

These assays indicate a mineralized quartz and chalcedony vein of ore grade, but of unknown width or attitude.

The examiners explained to the applicants that due to the heavy overburden and the caved condition of the shaft that it would be impossible to determine the attitude or thickness of the reported ore vein, or to take samples for chemical analysis. It was also explained to the applicants that no advice could be given as to whether or not the present crosscut should be extended in the same direction, or whether it should be turned to intersect the vein. The applicants stated they would clean out the upper part of the old shaft so that the vein could be examined. They were to inform the examiners when this work was completed, but to date there is no indications or report that the work has even started.

RECOMMENDATION

In view of the above situation, the examining team concurs in believing that an exploration program at this time is not warranted. If the applicants carry out their verbal agreement of clearing out the rubble and slope wash which has fallen into the shaft so that

an examination of the vein could be made, a re-examination of the property and new recommendation can be made, but as the situation now stands, the examiners agree that the application should be denied without prejudice.

LOCATION AND ACCESSIBILITY

The Silmont lode claims are in sec. 15, T. 6 N., R. 5 W. M.P.M., Cataract Mining District, Jefferson County, Montana. They are about 2½ air miles eastward from Basin, Montana, the nearest rail and shipping center. The claims may be reached from Basin by traveling eastward over paved U. S. Highway 91 about 3 miles to Fuller, a whistle siding on the Great Northern Railroad. Thence northward across the Boulder River and up High Ore Creek on a graveled road for about 1 mile, thence across the creek and southwesterly up a rough, steep jeep trail for half a mile to the end of the narrow road. The property is on a gently rolling ridge half a mile north from the end of the jeep road. The upper road is passable during dry weather but may be difficult after a heavy snow. Bulldozing a road for the last half a mile would be comparatively easy in the soil and rock-covered slope.

APPLICANTS

This is a partnership venture, the partners being Messrs. Joseph J. Mason and George J. Evankovich, both residing in Butte, Montana. Neither of the applicants was present at the time of the examination but were represented by Bill Mason, brother to Joseph Mason and interested indirectly in the property. Both the Mason brothers have had practical mining experience with The Anaconda Company of Butte, Montana. Mr. Evankovich is reported to be a student at the Montana School of Mines and also has had some mining experience.

The applicants are prepared to meet their share of the cost of the exploration ($1,607.95) by cash, labor, and equipment.

DESCRIPTION OF THE PROPERTY

The Silmont claims are contiguous on their end lines and lie in a general east-west direction over the rolling top of a prominent north-south ridge which reaches a height of 6,034 feet. The eastern portion of the Silmont No. 1 drains into High Ore Creek; the western portion and the Silmont No. 2 drains into a steep gully, thence southward about half a mile to the Boulder River (index map, pl. 1). The higher slopes of the ridge are sparsely covered by scrub cedars, sagebrush, and bunch grass; the lower gullies by bushes, shrubs, and second growth jack pine. The maximum relief on the two claims is estimated to be about 500 feet. The area is hot and dry during the summer and fall months with an occasional

shower; the winter and spring months are wet and cold with considerable snow and rain. There are no buildings or equipment on the property, and the only workings are the 90-foot adit, the caved shaft, and the shallow pits.

PROPERTY RIGHTS

The applicants state in their application that these claims are unpatented and are recorded in the County Clerk and Recorder's office in Book 48, pages 485 and 486. They also state that the property is known by no other name except Silmont No. 1 and Silmont No. 2 lode claims. However, in the field the examiners were told that the Silmont No. 1 claim was formerly known as the Independence, thus the notation on plate 1. No search of records or title was made at the county courthouse in Boulder, but it is believed that the applicants hold legal title to the ground.

GEOLOGY

The entire area of the Basin district is mountainous and underlain by the Boulder batholith, a large intrusive igneous body of late Cretaceous age and composed chiefly of quartz monzonite and related rocks. Since Cretaceous times the batholith has been subjected to intermittent periods of erosion and periods of Tertiary volcanic flows. Much of the present surface area in the district represents the exposed erosional features of the batholith. The later Tertiary flows and sediments are preserved as roof pendants. The present topography has been carved from the batholith and the Tertiary remnants. The later stages of batholitic intrusion is represented by many steep-dipping dikes of aplite and masses of gently dipping alaskites. These late stage rocks probably followed joint patterns established in the early stages and are often associated with mineralization in the district. The district is characterized by numerous north-south trending zones of alteration which cross or intersect other structural and altered zones trending in a general northeast-southwest direction. Often at or near these intersections there is a concentration of minerals.

In the immediate vicinity of the Silmont claims the underlying rocks are quartz monzonites which have been deeply weathered into rounded boulders and soil rubble. An ill-defined, altered zone appears to trend easterly across the ridge. The caved shaft is apparently located in this zone as well as the shallow open pit. The 90-foot adit below the hill is entirely in quartz monzonite and is without structure or mineralization of any kind. An iron-stained altered alaskite zone can be traced with difficulty for a short distance in an easterly direction just north of the portal but could not be seen in the 90-foot adit. The deeply weathered and partially oxidized character of the surface rocks prevent any tracing of

structures or zones on the surface. It is entirely reasonable to suppose that the rather highly mineralized fragments of quartz and chalcedony found on the dumps came from a mineralized vein below the weathered surface, but until such time as it can be examined to determine the strike, dip, and width, very little more geological mapping can be done.

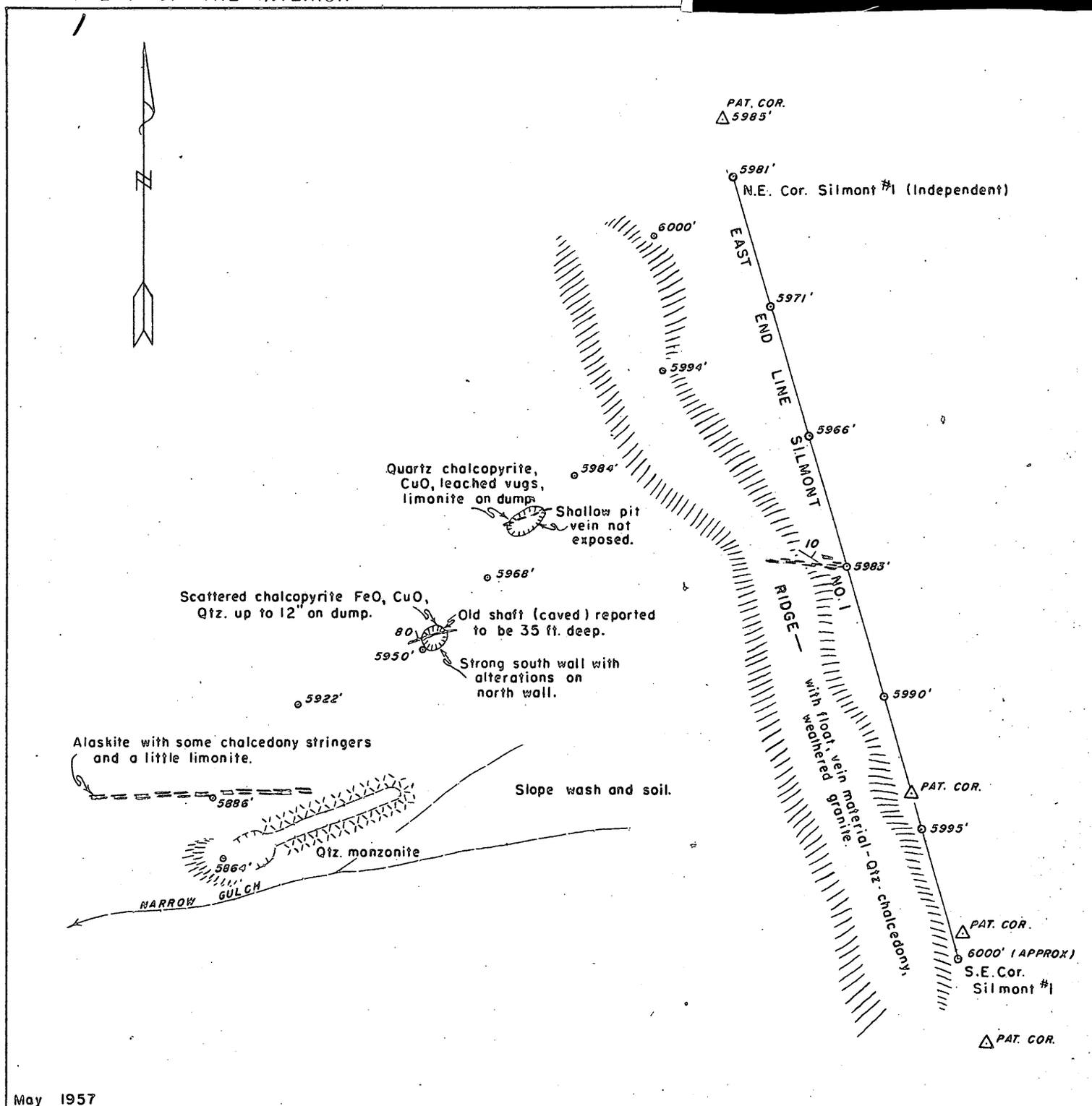
CONCLUSIONS

Although the Silmont claims lie in a general mineralized area which has produced sizable amounts of lead, zinc, and copper in the past, there is not enough geological information showing on the property at present to justify an exploration program which involves Government funds.

Enclosure
Distribution:
DMEA(4)
USBM(5)
USGS(SRO)
Docket
Sample

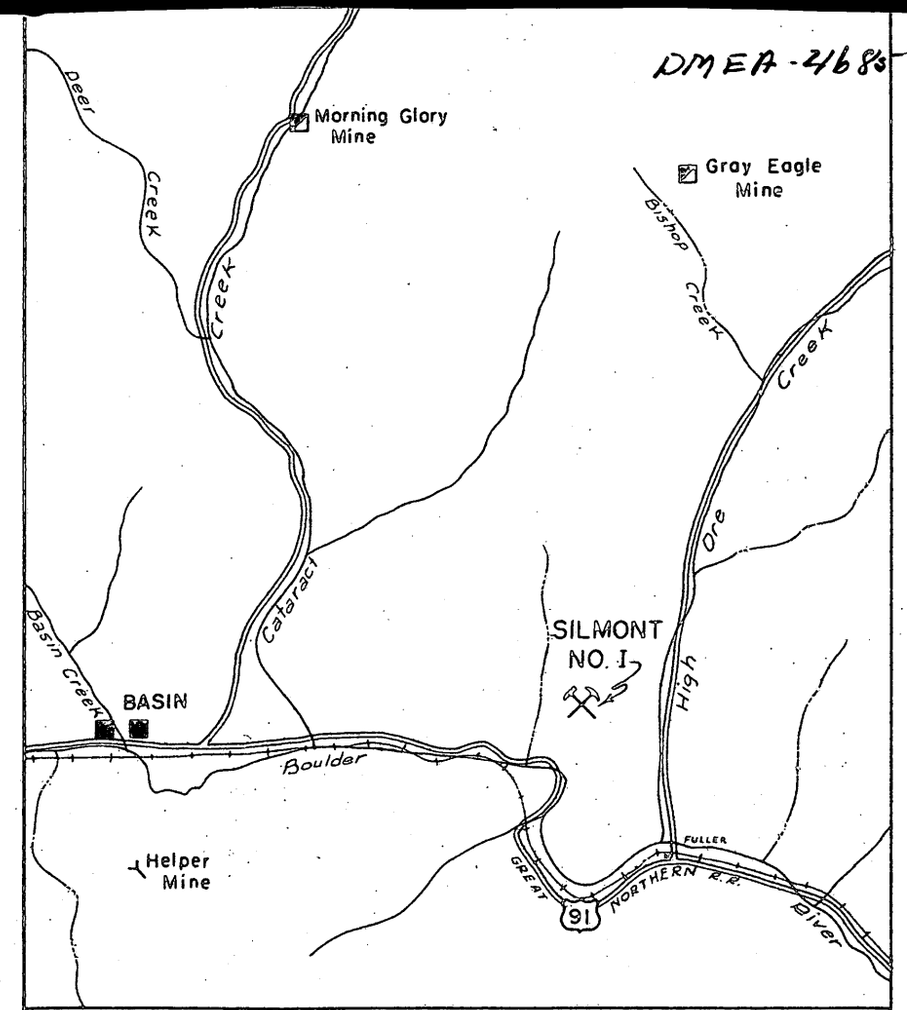
UNITED STATES
DEPARTMENT OF THE INTERIOR

DMEA-2685



May 1957

By D.M. Pinckney, J.A. Bowsher, and R.D. Sample.



INDEX MAP

1 ½ 0 1 2 MILES

SKETCH MAP OF THE EAST PORTION OF THE

SILMONT NO. 1 (INDEPENDENT) CLAIM

Jefferson County, Montana

Sec. 15, T. 6 N, R. 5 W, MPM

0 50 100 200 300 FEET

Plate 1

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 1957

DATE		CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	[illegible]	500
	[illegible]	201
3/27	Selbridge	30
"	Johnson	110
"	Mittendorf	102
3/28	[illegible]	225
		500.

Kilsgaard
Lamb

MAR 27 1957

Mr. Joseph J. Mason
and
Mr. George J. Evankovich
1126 South Arizona
Butte, Montana

Re: Docket No. DMEA-4685 (Copper-Lead)
Joseph J. Mason and George J.
Evankovich, partnership
Silmont No. 1 and No. 2 Lode Claims
Jefferson County, Montana

Gentlemen:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and is being referred to:

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

If additional information concerning your application is needed, the Field Team will get in touch with you at an early date.

Sincerely yours,

C. O. Mittendorf

Administrator

JWAlt/er 3/26/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.
Region I, NW Dist. (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

500

Date	Surname	Code
3/26	[illegible]	500
	[illegible]	500
3/27	Selfridge	120
"	[illegible]	110
"	[illegible]	100
		225

500

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

MAR 27 1957

Re: Docket No. DMEA-4685 (Copper-Lead)
Joseph J. Mason & George J. Evankovich,
Partnership
Silmont No. 1 and No. 2 Lode Claims
Jefferson County, Montana

Dear Mr. Weissenborn:

The cited application is being referred to your office for consideration, a field examination of the property if warranted, and recommendation.

In the event that you should consider the application favorably, the Applicants should be requested to furnish a property map showing the claims listed in the application and where the proposed work is to be done.

We are in accord with you in that if you consider the property to have merit that the project should be expanded to include at least 200 feet of drifting along the vein. To only drive a crosscut to the vein would be of but little value in determining the extent of an ore body if ore is discovered in the crosscut.

Copies of memoranda dated March 19 and March 20, 1957, by A. D. McMahon, Bureau of Mines, and N. E. Nelson, Geological Survey, respectively, relating to the project, are enclosed for your information.

Also enclosed is one copy of the application for the cited property for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Enclosures

APPROVED:

Frank D. Lamb (JB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JB)
Member, Geological Survey

JWAlt/er 3/26/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE	INITIALS	CODE
3/22	C	220
3/22	JWR	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 20, 1957
Re: DMEA 4685
Joseph J. Mason and
George J. Evankovich
Silmont Group
Jefferson County, Montana
$3,215.90 - copper-lead-silver

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicant requests assistance in driving 80 feet to complete a crosscut to a narrow copper-lead-silver-bearing vein. Little information is given concerning the vein, but a sample taken by the applicant shows 8.66% copper, 1.30% lead and 29.60 oz. silver.

The crosscut is now in 90 feet and the 80 feet of work will complete it.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

March 19, 1957

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Application, Docket No. DMEA 4685 (copper-lead-silver), Joseph J. Mason and George J. Evankarich, Jefferson County, Montana. $3,215.90

The applicants propose crosscutting an additional 80 feet to intersect the downward extension of a vein exposed in a shallow shaft.

Evidence of mineralization is supported only by a statement regarding information obtained from the previous claim holders that there is a vein, $2\frac{1}{2}$ feet wide containing copper, lead and silver and that the applicant's assay shows 8.66% copper 1.30% lead, and 29.60ozs. silver.

Referral of the application to the Field Team is recommended.

A. D. McMahon

A. D. McMahon

Attachment

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
F i l e s

			CODE
3	21	C	220
3/25	3/21	J W a	500

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

March 18, 1957

Mr. Joseph J. Macon and
Mr. George J. Evankovich
1126 South Arizona,
Butte, Montana

Subject: DMEA-4685
Re: Exploration Assistance

Gentlemen:

Your application for exploration assistance, dated March 8, 1957 submitted to our office at Spokane, Washington has been assigned Docket Number DMEA-4685 and referred to the Base Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to: Region I N. W.

3571