MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Form 2(e)

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

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of ELKO, State of NEVADA,

described as follows:[2] 10 PATENTED MINING CLAIMS SITUATED IN T 45 N, R 63 E, SEC 27, 28, 33, 34 MDB&M, SALMON RIVER MINING DISTRICT, ELKO CO., NEVADA, SURVEY NO. 4239, PATENT NO. 485357, KNOWN AS THE "LUCIE NO. 1", "LUCIE NO. 2", "LUCIE NO. 3", "LUCIE NO. 5", "LUCIE NO. 6", "LUCIE NO. 7", "LUCIE NO. 8", "LUCIE NO. 9", "LUCIE NO. 11", "LUCIE NO. 12".

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

Pan-Nevada Inc. (Operator for Pantepec International Inc. & Pancoastal Inc.)[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.)

(1) 5% Royalty to Legend Corp.

(2) One-forty-eighth (1/48) overriding royalty to ~~The Columbia Corporation~~.

MILDRED M. and ETHEL A. HEMBDT.

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.

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 22nd day of July, 1969.

Pan-Nevada Inc., Operator for Pantepec International Inc and Pancoastal, Inc.	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
By [signature]	(Seal)	(Street) (City & State)
Pantepec International, Inc. By [signature]	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
Pancoastal, Inc. By [signature]	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

I, K. Ross Jordan (Name), certify that I am the Secretary (Title—Secretary, etc.) of Pan-Nevada Inc. the corporation named herein; that James L. Buckley (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.

K. Ross Jordan (Corporate Seal)

I, MARION F. BROWN, certify that I am the Assistant Secretary
(name) (title)

of Pantepec International, Inc.; that JOHN W. BUCKLEY, who signed this
(name)

agreement was then PRESIDENT of said corporation; that said agree-
(title)

ment 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.

Marion F Brown
(Corporate Seal)

I, K. ROSS JORDAN, certify that I am the SECRETARY
(name) (title)

of Pancoastal, Inc.; that JAMES L. BUCKLEY, who signed this agreement was
(name)

then PRESIDENT of said corporation; that said agreement was duly
(title)

signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

K. Ross Jordan
(Corporate Seal)

I, _____, certify that I am the _____
(name) (title)

of _____; that _____, who signed this
(name)

agreement was then _____ of said corporation; that said agree-
(title)

ment 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)

ITEM 2(c)

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

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

LIEN AND SUBORDINATION AGREEMENTS[1]

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described as follows:[2] 10 PATENTED LODE MINING CLAIMS SITUATED IN T45N R63E SEC. 27, 28, 33, 34, MDBM, ELKO CO., NEVADA, SALMON RIVER MINING DISTRICT, SURVEY No. 4239, PATENT No. 485357, KNOWN AS THE "LUCIE No. 1", "LUCIE No. 2", "LUCIE No 3", "LUCIE No. 5", "LUCIE No. 6", "LUCIE No 7", "LUCIE No. 8", "LUCIE No. 9", "LUCIE No 11", "LUCIE No. 12".

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Pan-Nevada Inc. (Operator for Pantepec International Inc. & Pancoastal Inc.)[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.)

(1) 5% Royalty to Legend Corp.

(2) One-forty-eighth (1/48) overriding royalty to ~~[illegible]~~ MILDRED M. and ETHEL A. HEMBDT

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.

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 22nd day of July, 19 69.

Pan-Nevada Inc., Operator for Pantepec International Inc. and Pancoastal, Inc.	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
By [signature]	(Seal)	(Street) (City & State)
Pantepec International Inc. By [signature]	(Seal)	Suite 300, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
Pancoastal, Inc. By [signature]	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

I, K. Ross Jordan (Name), certify that I am the Secretary (Title—Secretary, etc.) of Pan-Nevada Inc. the corporation named herein; that James L. Buckley (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.

K. Ross Jordan
(Corporate Seal)

I, MARION F. BROWN, certify that I am the Assistant Secretary
(name) (title)

of Pantepec International, Inc.; that JOHN W. BUCKLEY, who signed this
(name)

agreement was then PRESIDENT of said corporation; that said agree-
(title)

ment 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.

Marion F. Brown
(Corporate Seal)

I, K. ROSS JORDAN, certify that I am the SECRETARY
(name) (title)

of Pancoastal, Inc.; that JAMES L. BUCKLEY, who signed this agreement was
(name)

then PRESIDENT of said corporation; that said agreement was duly
(title)

signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

K. Ross Jordan
(Corporate Seal)

I, _____, certify that I am the _____
(name) (title)

of _____; that _____, who signed this
(name)

agreement was then _____ of said corporation; that said agree-
(title)

ment 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)

I, MARION F. BROWN, certify that I am the Assistant Secretary
(name) (title)

of Pantepec International, Inc.; that JOHN W. BUCKLEY, who signed this
(name)

agreement was then PRESIDENT of said corporation; that said agree-
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(name) (title)

of _____; that _____, who signed this
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agreement was then _____ of said corporation; that said agree-
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(Corporate Seal)

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Dated this 22nd day of July, 19 69.

Pan-Nevada Inc., Operator for	Suite 500, 37 Lewis Street	(Street)
Pantepec International Inc. and	(Seal) Hartford, Conn. 06103	(City & State)
Pancoastal, Inc.		(Street)
By James L. Buckley	(Seal)	(City & State)
Pantepec International, Inc.	Suite 500, 37 Lewis Street	(Street)
By James L. Buckley	(Seal) Hartford, Conn. 06103	(City & State)
Pancoastal, Inc.	Suite 500, 37 Lewis Street	(Street)
By James L. Buckley	(Seal) Hartford, Conn. 06103	(City & State)
		(Street)
	(Seal)	(City & State)
		(Street)
	(Seal)	(City & State)

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K. Ross Jordan
(Corporate Seal)

Item 2(c)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

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MILDRED M. and ETHEL A. HEMBDT

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agreement was then PRESIDENT of said corporation; that said agree-
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Marion F. Brown
(Corporate Seal)

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By [signature]	(Seal)	(Street) (City & State)
Pantepec International, Inc. By [signature]	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
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Item 2(c)

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Item 2(c)

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TO MILDRED M. and ETHEL A. HEMBDT

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Dated this 22nd day of July, 1969.

Pan-Nevada Inc., Operator for Pantepec International, Inc. and Pancoastal, Inc.,	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
By [signature]	(Seal)	(Street) (City & State)
Pantepec International Inc. By [signature]	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
Pancoastal, Inc. By [signature]	(Seal)	Suite 500, 37 Lewis Street (Street) Hartford, Conn. 06103 (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

I, K. Ross Jordan (Name), certify that I am the Secretary (Title—Secretary, etc.) of Pan-Nevada Inc. the corporation named herein; that James L. Buckley (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.

K. Ross Jordan
(Corporate Seal)

I, MARION F. BROWN, certify that I am the Assistant Secretary
(name) (title)

of Pantepec International, Inc.; that JOHN W. BUCKLEY, who signed this
(name)

agreement was then PRESIDENT of said corporation; that said agree-
(title)

ment 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.

Marion F. Brown
(Corporate Seal)

I, K. ROSS JORDAN, certify that I am the SECRETARY
(name) (title)

of Pancoastal, Inc.; that JAMES L. BUCKLEY, who signed this agreement was
(name)

then PRESIDENT of said corporation; that said agreement was duly
(title)

signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

K. Ross Jordan
(Corporate Seal)

I, _____, certify that I am the _____
(name) (title)

of _____; that _____, who signed this
(name)

agreement was then _____ of said corporation; that said agree-
(title)

ment 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)

MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6804

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

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

Right Side

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

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

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

Additional Folders:

Left Side

Folders No. _____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

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

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

September 3, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 5 1969
INITIALS CODE

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: New Application (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

Enclosed is one copy of an application received in this office September 2, 1969. A duplicate copy--except for the Operating Agreement, Lease, and Lien and Subordination Agreements--is retained in our file.

The application appears to be complete, except for bids. One set of L&S Agreements cannot be obtained, so the Applicant has stated it will furnish a performance bond.

Copper and silver have been found in the leached outcrop by observation and assay. Molybdenum is also included in the application because it is mentioned casually in a newspaper article about some other unidentified property to the northeast, presumably in the same county. In other deposits in the Contact district (see DMEA-67, Contract 153), silver is not a significant component, although it might be in the sulfide zone. Copper is the principal commodity on the basis of present information.

The proposed drilling, part of which is outside the property boundary, is predicated almost entirely on I P anomalies with a minimum of detailed information on structure and mineralization.

Estimated costs appear to be realistic, except for the service truck which is included at full value instead of a depreciation allowance.

R M. Smith
for H. K. Stager

Enclosures

PAN-NEVADA INC.
Suite 500 • 37 Lewis Street
Hartford, Connecticut 06103

Please refer reply to:
Suite 2, 830 Ryland St.
Reno, Nevada 89502
August 29, 1969

Mr. Harold K. Stager
USGS, Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

Dear Mr. Stager:

Enclosed is the required material for an Application for Financial Assistance. With respect to Item 2(c), Pan-Nevada can furnish a performance bond.

Please contact me if additional information is required.

Yours truly,

L. B. Goldsmith

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

OFFICIAL COPY
SEP 5 1969
MINERALS CODE

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

PAN-NEVADA INC.
SUITE 500
37 LEWIS STREET
HARTFORD, CONN. 06103

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6804

DATE RECEIVED: 9-5-69

REGION: II

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: NEVADA

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
James L. Buckley	- Sharon, Conn.	- President
A. B. O'Donnell	- Hartford, Conn.	- Vice Pres.
Marion F. Brown	- Larchmont, N.Y.	- " "
Frank P. Gherardi	- Hartford, Conn.	- Treasurer
William Shields, Jr.	- Sharon, Conn.	- Asst. Treas. & Asst. Sec'y.
K. Ross Jordan	- New York, N.Y.	- Secretary
Robert C. Wilson	- Darien, Conn.	- Vice Pres.

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

ESTIMATED COST OF PROJECT: $45,345

PROPERTY NAME	LOCATION COUNTY	STATE
Lucie	Elko	Nevada

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

CERTIFICATION

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

30 July 1969
DATED

James Brown
BY *(Signature)*
President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 signed by owner on MME-Form-52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

PAN-NEVADA INC.
SUITE 2
830 RYLAND STREET
RENO, NEVADA 89502

1. FINANCIAL ELIGIBILITY

(a) Application for a loan of $31,500 repayable over a five-year period was made to each of two banks, Hartford National Bank & Trust Company and Connecticut Bank & Trust Company, both in Hartford, Connecticut, and was refused in each case. Copies of application and refusal are attached.

(b) The following two companies each own a one-half (½) interest in Pan-Nevada Inc.:

Pantepec International, Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

Pancoastal, Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

(c) Pantepec International, Inc. and Pancoastal, Inc. are willing to allocate $14,000 from general exploration budget to Pan-Nevada Inc. for this program. The companies are unwilling to commit more than this amount based on evaluation of the merits of the property in comparison with risk ventures of a similar nature available to them.

Pan-Nevada Inc.
Suite 2, 830 Ryland St.
Reno, Nevada 89502

2. APPLICANT'S RIGHTS IN LAND:

(a) The Lucie property is held under lease (see).

(b) Legal Description.

The claims are located in T 25 N, R 63 E, S 27, 28, 33, 34, MDBM, Elko County, Nevada, in the Contact (Salmon River) Mining district. Mineral Survey No. 4239. Mineral Patent No. 435375. Ten patented claims known as: Lucie No. 1, Lucie No. 2, Lucie No. 3, Lucie No. 5, Lucie No. 6, Lucie No. 7, Lucie No. 8, Lucie No. 9, Lucie No. 11, Lucie No. 12.

(c) See MME Form 52.

Pan-Nevada Inc.
Suite 2, 830 Ryland St.
Reno, Nevada 89502

3. PHYSICAL DESCRIPTION:

(a) There are several pits on the property as indicated on the geological map, all of which are less than ten feet in depth and ten feet in width.

(b) If this section refers to equity, Pan-Nevada controls the pits by virtue of the lease. Geologically, the pits have provided information for the overall evaluation.

(c) There has been no past or current production from the property. Production from the area is offered in a xerox copy of information from the Nevada Bureau of Mines Bulletin 54, Geology and Mineral Resources of Elko County, Nevada. Present exploration nearby is summarized in enclosed clippings from the Elko, Nevada newspaper, and from the Northern Miner, Toronto, Ontario, May 8, 1969.

(d) No Known ore reserves exist on the property.

(e) See geology and sample location map. The country rock is a granodiorite, intruded into limestone which outcrops to the west of the property. Altered zones and/or aloskite dykes trend N 65° E across the claims. These zones vary from 50-300 feet in width. Copper mineralization as carbonate is visible at various places on surface along these zones. Lime-bearing feldspars and calcite have precipitated copper as carbonate after it has been leached from chalcopyrite. Silver tends to leach entirely and could not be expected to be detected on surface. Occasional sulphides can be identified but most have been leached to limonite. Leached capping probably extends to a depth of two hundred feet. Secondary enrichment of copper and silver could be expected at and directly above the water table with primary sulphide mineralization below the water table.

Mineralization is disseminated throughout the altered zones. Associated quartz veins which carry sulphides trend parallel to and are contained within the altered zones.

Pan-Nevada Inc.
Suite 2, 830 Ryland St.
Reno, Nevada 89502

3. (f) See geology map for sample locations and copper assays. Copies of assay certificates are enclosed. Samples were channels and chips across exposures, using proper sampling techniques.

REASONS FOR EXPECTING TO FIND ORE.

The altered zones and/or alaskite dykes contain copper mineralization at or near surface as copper carbonates. Induced polarization zones 'D' and 'E' correlate moderately well with altered zones as mapped geologically. Since the altered zones appear to dip to the northwest the I. P. anomalies may be caused by sulphide content below the leached capping. Relict limonites in various outcrop and float specimens indicate previous chalcopyrite mineralization which has been leached. Significant copper assays have been obtained on surface from altered zones which tend to follow the trend of the I. P. anomalies. Silver is generally more mobile than copper and would tend to be entirely leached and be deposited near the water table as supergene enrichment.

A production history of the area (see 3 (g)) shows that copper-silver mineralization has been economic in the area. Present work by Cairo Exploration Ltd. to the northeast of the Lucie claims indicates copper-silver-molybdenum values (see newspaper clipping).

The term "ore" by definition requires tonnage and grade in economic quantities. Indicated widths and strike lengths would provide sufficient tonnage if the grade of ore at depth can be proven adequate for an economic operation.

Pan-Nevada Inc.
Suite 2, 830 Ryland St.
Reno, Nevada 89502

4. ACCESSIBILITY OF PROPERTY:

(a) L. B. Goldsmith
Suite 2, 830 Ryland Street
Reno, Nevada 89502
Phone: 702 - 323-6839

If arrangements are made the OME representative will be met at Contact, Nevada, or Reno, Nevada, as desired.

The property may be reached by light truck from Contact, Nevada, over a dirt road which branches many times. It would be advisable to have a guide accompany the OME representative. All pits are accessable.

(b) Shipping and supply points:

Twin Falls, Idaho, 70 miles from property.

Wells, Nevada, 58 miles from property.

Pan-Nevada Inc.
Suite 2, 830 Ryland Street
Reno, Nevada 89502

5. EXPLORATION WORK:

(a) See geology map for location of diamond drill holes.

L-01. Diamond drill hole, cored, NQ core size, 600 feet in length, collared at 56 + 00 W, 7 + 00 N, drilled to southeast along the grid line at -45°.

L-02. Diamond drill hole, cored, NQ core size, 500 feet in length, collared at 52 + 00 W, 10 + 25 N, drilled to southeast along the grid line at -45°.

L-03. Diamond drill hole, cored, NQ core size, 500 feet in length, collared at 68 + 00 W, 2 + 00 S, drill to northwest along grid line at -45°.

L-04. Diamond drill hole, cored, NQ core size, 400 feet in length, collared at 12 + 00 W, 6 + 50 S, drilled to southeast along the grid line at -45°.

(b) An access road may be necessary between the collar of D. D. H. L-03 and the existing road at approximately 54 + 00 W, Base Line. A road levelled with a D-8 would be sufficient. The actual route would depend on the D-8 operator, but would not exceed 1600 feet in length.

(c) Work would be started as soon after the execution of a contract as a drill could be obtained. Average rate of progress could be expected to be 20 feet of core drilled per 8 hour shift. The contract could be completed in 100 drilling days, or approximately 5 months from the time the drill arrived on the property. If two or three drill shifts were employed daily the total time could be reduced accordingly.

PAN-NEVADA, INC.
Suite 2
830 Ryland Street
Reno, Nevada 89502

6. EXPERIENCE

Pan-Nevada, Inc., a company registered in Nevada, is Operator Company for Pantepec International, Inc. and Pancoastal, Inc., both of which companies or their predecessor companies have been active in international petroleum exploration for over twenty years, and more recently in mineral exploration in Nevada, Canada and Australia.

Pan-Nevada, Inc. has retained on a continuing basis a group of consulting geologists, Norman H. Ursel Associates, Suite 801, 85 Richmond Street, W., Toronto, Ontario, Canada to supervise its mineral exploration programs. This consulting group presently is active worldwide conducting and supervising mineral exploration and property evaluation programs. All staff members have in excess of ten years' experience in economic geology.

Proposed work on the Lucie property would be supervised by Mr. Locke B. Goldsmith who holds a B.S. degree in geology, and has fulfilled requirements for M.S. with exception of completing thesis, from Michigan Technological University. He also holds Mining Technician's papers from the Provincial Institute of Mining, Haileyburg, Ontario, Canada.

Mr. Goldsmith has had experience in planning and supervising diamond drilling projects and is familiar with all phases of economic evaluation of mineral prospects.

Pan-Nevada Inc.
Suite 2, 830 Ryland St.
Reno, Nevada 89502

7. ESTIMATE OF COSTS:

(a) Independent contracts.

See enclosed bid from E. J. Longyear Co., the only one available at this time:

Mobilization fee:	425.00	
1900 feet, NQ core, @ $8.15 / ft:	15485.00	
100 feet, NQ core, @ $8.65/ft:	865.00	
Supplies, water truck rental, cementing, etc., estimated at $2.00/ft:	4000.00	
SUB-TOTAL:	20,775.00	20,775.00

(b) Personal services (available).

1 supervisor @ $750.00/mo., 5 months:	3750.00	
1 assistant @ $650.00/mo., 5 months:	3250.00	
Room and board for 2 @ $600.00/mo., 5 months:	3000.00	
SUB-TOTAL:	10,000.00	10,000.00

(c) Operating materials and supplies.

Fuel for service vehicle, 25 gal/day @ $0.45/gal., 30 days/month, 5 months:	1687.50	
SUB-TOTAL:	1,687.50	1,687.50

Pan-Nevada Inc.
Suite 2, 830 Ryland Street
Reno, Nevada 89502

7. (d) Operating equipment (to be rented).

D-8 Cat for drill site levelling and one access road, @ $25.00/hr., 48 hrs:	1250.00	
Transportation time, @ $10.00/hr., 16 hrs:	160.00	
Road repairs with grader, @ $16.00/hr., 40 hrs:	640.00	
Transportation time, @ $10.00/hr, 16 hrs:	160.00	
Operating equipment (owned).		
Service vehicle, 1968 GMC, 3/4 ton, 4 x 4 (very good condition). New list price: $3950.00. Fair price at present: $3000.00:	3000.00	
SUB-TOTAL:	5,210.00	5,210.00

(e) Not Applicable.

(f) Not Applicable:

(g) Miscellaneous.

Maintenance of service vehicle. $100.00/month, 5 months	500.00	
Assaying, @ $1.75/copper determination, $3.00/gold-silver determination, $5.00/molybdenum determination, estimated 200 samples:	1950.00	
Shipment charges on samples for assay:	100.00	
Accounting, 5 days/month @ $40.00/day, 5 months:	1000.00	
SUB-TOTAL	3,550.00	3,550.00
TOTAL		41,222.50
Contingencies, @ 10% of total:		4,122.25
GRAND TOTAL		45,344.75

Item 1(a)

2

PAN-NEVADA INC.

c/o The Catawba Corporation
37 Lewis Street
Hartford, Connecticut 06103

July 7, 1969

Hartford National Bank & Trust Company
70 Farmington Avenue
Hartford, Connecticut

Attention: Mr. Donald Stahle

Gentlemen:

We have a lease on ten patented mining claims known as the Lucie property located in Elko County, Nevada. Preliminary geological work has been done on these properties and we are now ready to proceed with a diamond drilling program.

We hereby make application for a loan in the amount of $31,500.00 which we would like to repay over a period of five years. For your information, a copy of our latest balance sheet is attached.

Please let us know whether you would be willing to grant us a loan on these terms.

Very truly yours,

PAN-NEVADA INC.

Frank P. Gherardi
Treasurer

/c
encl.

I hereby certify that this is a true copy.

PAN-NEVADA INC.

By Frank P. Gherardi
Frank P. Gherardi
Treasurer

HARTFORD NATIONAL BANK AND TRUST COMPANY
FARMINGTON AVENUE OFFICE
70 FARMINGTON AVENUE
HARTFORD, CONNECTICUT 06101

RECEIVED
JUL 14 1969

DONALD W. STAHLE
VICE PRESIDENT

July 11, 1969

Mr. Frank P. Gherardi, Treasurer
Pan-Nevada, Inc.
c/o The Catawba Corporation
37 Lewis Street
Hartford, Connecticut 06103

Dear Mr. Gherardi:

We are in receipt of your recent request for a loan in the amount of $31,500 for a period of five years. We regret to inform you that at this time we will be unable to accommodate your request.

Unfortunately, because of the rather speculative nature of the exploration and the extended payout over a period of five years makes this loan request impossible at the present time.

If you have any further questions regarding our decision please do not hesitate to contact me.

Cordially,

Donald W. Stahle
Vice President and Manager

DWS:fjp

I hereby certify that this is a true copy.

PAN-NEVADA INC.

By Frank P. Gherardi
Frank P. Gherardi
Treasurer

PAN-NEVADA INC.

c/o The Catawba Corporation
37 Lewis Street
Hartford, Connecticut 06103

July 7, 1969

Connecticut Bank & Trust Company
1 Constitution Plaza
Hartford, Connecticut 06115

Attention: Mr. Charles Miller

Gentlemen:

We have a lease on ten patented mining claims known as the Lucie property located in Elko County, Nevada. Preliminary geological work has been done on these properties and we are now ready to proceed with a diamond drilling program.

We hereby make application for a loan inthe amount of $31,500.00 which we would like to repay over a period of five years. For your information, a copy of our latest balance sheet is attached.

Please let us know whether you would be willing to grant us a loan on these terms.

Very truly yours,

PAN-NEVADA INC.

Frank P. Gherardi
Treasurer

/c
encl.

I hereby certify that this is a true copy.

PAN-NEVADA INC.

By Frank P. Gherardi
Frank P. Gherardi
Treasurer

CBT THE CONNECTICUT BANK AND TRUST COMPANY

CONNECTICUT BANK BUILDING
ONE CONSTITUTION PLAZA
HARTFORD, CONNECTICUT 06115

CHARLES L. MILLER VICE PRESIDENT

RECEIVED
JUL 9 1969

July 8, 1969

Mr. Frank P. Gherardi, Treasurer
Pan-Nevada Inc.
c/o The Catawba Corporation
37 Lewis Street
Hartford, Connecticut 06103

Dear Mr. Gherardi:

We have reviewed your loan request of July 7 which asked for a $31,500 loan for a period of five years so that your company could pursue a diamond drilling program.

We do not think we have to review in detail current monetary conditions. At the moment such a loan would not fit into our credit policy for several obvious reasons. Some of these are the fact that Pan-Nevada is not a customer of this bank; this is an out-of-state operation and we are confining our loans primarily to Connecticut clients in this tight money period; and, moreover, the pay out is quite protracted. We are attempting to restrict our available funds to short term working capital loans to established customers with good balances for productive and not speculative purposes.

We hope you can find money for this program from other sources.

Sincerely,

Charles L. Miller

Vice President

CLM/eg

I hereby certify that this is a true copy.

PAN-NEVADA INC.

By Frank P. Gherardi

Frank P. Gherardi
Treasurer

PAN-NEVADA INC.

BALANCE SHEET
May 31, 1969
(Unaudited)

ASSETS

Current assets:	
Cash	$ 3,869.26
Account receivable from Pancoastal, Inc.	77,084.96
Miscellaneous receivables	2,592.20
	83,546.42
Fixed assets, at cost:	
Automotive equipment	8,252.32
Miscellaneous equipment	2,167.63
	10,419.95
Less accumulated depreciation	1,711.50
	8,708.45
	$ 92,254.87

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Account payable to Pantepec International, Inc.	$ 36,130.65
Accounts payable and accrued liabilities	38,514.36
Federal income tax payable	4,572.00
	79,217.01
Stockholders' equity:	
Capital stock	
Authorized-5,000 shares par value $1.00	
Issued - 200 shares	200.00
Retained earnings	12,837.86
	$ 92,254.87

I hereby certify that this is a true copy of the Pan-Nevada Inc. balance sheet.

By Frank P. Gherardi

Frank P. Gherardi
Treasurer

MEMO of AGREEMENT entered into as of the first day of January, 1968, between PANCOASTAL, INC., a Delaware corporation hereinafter referred to as "Pancoastal", and PANTEPEC INTERNATIONAL, INC., a Delaware corporation hereinafter referred to as "Pantepec":

W I T N E S S E T H

WHEREAS each of the parties has entered into mining leases with Frank W. Lewis, of Van Nuys, California, dated October 5, 1967, in the case of Pancoastal (hereinafter "the Pancoastal Lease") and October 20, 1967, in the case of Pantepec (hereinafter "the Pantepec Lease"); and

WHEREAS the parties wish to merge their interests in said leases and to conduct joint operations thereunder, the parties do hereby agree as follows:

1. Pancoastal hereby declares that it holds a 50% undivided interest in the Pancoastal Lease in trust on behalf of Pantepec, and Pantepec hereby agrees to assume 50% of Pancoastal's obligations thereunder.

2. Pantepec hereby declares that it holds a 50% undivided interest in the Pantepec Lease in trust on behalf of Pancoastal, and Pancoastal hereby agrees to assume 50% of Pantepec's obligations thereunder.

3. Each of the parties agrees to reimburse the other for 50% of the costs incurred by the other to January 1, 1968 in connection with said leases.

Witness

Witness

Witness

Witness

PANCOASTAL, INC.

By
James L. Buckley
~~Vice~~-President.

PANTEPEC INTERNATIONAL, INC.

By
John W. Buckley
President.

AC

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

I, Herminia L. Zeisler, a Notary Public within and for said County and State, do hereby certify that JAMES L. BUCKLEY, to me personally known and known to me to be the ~~Vice~~ President, of PANCOASTAL, INC., appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act and deed and as the free act and deed of said PANCOASTAL, INC., for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and affix my official seal this 18th day of January, 1968.

Herminia L. Zeisler
Notary Public

My commission expires:
March 30, 1968.

HERMINIA L. ZEISLER
Notary Public, State of New York
No. 31-9794375
Qualified in New York County
Commission Expires March 30, 1968

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

I, Herminia L. Zeisler, a Notary Public within and for said County and State, do hereby certify that JOHN W. BUCKLEY, to me personally known and known to me to be the president, of PANTEPEC INTERNATIONAL, INC., appeared before me this day in person and acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act and deed and as the free act and deed of said PANTEPEC INTERNATIONAL, INC. for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and affix my official seal this 18th day of January, 1968.

My commission expires: March 30, 1968.

Herminia L. Zeisler

Item 2(a)

OPERATING AGREEMENT

THIS AGREEMENT made as of the first day of March, 1968, by and between PANCOASTAL, INC., a corporation formed under the laws of the State of Delaware (hereinafter referred to as "Pancoastal"), PANTEPEC INTERNATIONAL, INC., a corporation formed under the laws of the State of Delaware (hereinafter referred to as "Pantepec"), and PAN-NEVADA INC., a corporation formed under the laws of the State of Nevada (hereinafter referred to as "Pan Nevada"),

WITNESSETH:

WHEREAS Pantepec and Pancoastal each own an undivided one-half (1/2) beneficial interest in and to certain mining leases and other rights covering lands situated in the State of Nevada, all of which are more particularly described in Schedule A attached hereto; and

WHEREAS the parties wish to provide for the orderly conduct thereon of joint mining operations and has requested Pan Nevada to be operator of the properties;

WHEREAS Pan Nevada has agreed to serve as operator for the properties;

NOW THEREFORE, in consideration of the foregoing and of the mutual undertakings hereinafter set forth, the parties agree as follows:

1. Properties

The rights and interests subject to this Agreement (hereinafter collectively referred to as the "Properties") shall consist of all the mining leases, which are more fully described in Schedule A hereto, together with any extensions thereof or rights derived therefrom of any kind, as well as any additional

leases, rights or interests which may be made subject to this Agreement pursuant to Paragraph 13 below.

2. Ownership.

Each party shall own (subject to modification as provided for in Paragraph 7 hereof) a one-half (1/2) undivided beneficial interest in the Properties, in any production therefrom, and in all tangible property, movable or immoveable, acquired with contributions made pursuant to this Agreement. Each Party shall separately sell and dispose of its interest in any such property as is no longer required for operations hereunder; provided that the parties may delegate to the Operator, for periods of not more than one (1) year, authority to sell such property, such authority to be revocable at will and the proceeds of any such sale to be credited to the Parties in proportion to their interests in the property sold at the time of sale.

3. Operating Committee

An Operating Committee comprised of one representative of each of the parties shall be established promptly after this Agreement has become effective. Each representative may appoint an alternate who shall have all the rights and powers of the appointer at any meeting of the Operating Committee at which such appointer is absent.

The Operating Committee shall meet in Reno at least semi-annually (unless otherwise determined by the Operating Committee) and at such other time or times as either party may request provided that any such meeting may only be held upon the giving of fourteen (14) days prior written notice to the other party. Written notice can be waived by all the parties.

The Operating Committee shall determine policies, authorize programs to be implemented by the Operator with respect

to exploration for an exploitation of minerals on the Properties, and approve budgets. The Operator's representative shall act as Chairman of the Committee.

The Operating Committee shall have the exclusive right and authority and be solely responsible for the determination of policy in respect of the joint mining operations contemplated hereunder and for the authorizing of programs and budgets.

All decisions of the Operating Committee shall require unanimous approval by the representatives of both parties hereto; provided that the parties shall cause their representatives to approve such reasonable programs and budgets as may be necessary to meet any minimum requirements set by the authorities or the terms of the leases to maintain the Properties in good standing.

4. Operator

Pan Nevada shall act as Operator hereunder until such time as it is replaced as Operator, as provided for in Paragraph 8 below.

All operations in respect of the Properties shall be conducted by the Operator in accordance with policies, programs and budgets approved by the Operating Committee and in accordance with

good mining practice and all applicable laws, rules and regulations. The Operator shall keep the Parties fully and currently advised of all matters relating to its operations hereunder, shall keep, in sufficient form and detail to fulfill the requirements of all the Parties, complete and accurate books, records and accounts with respect to such operations (including those contemplated by paragraph 5 below), which books, records and accounts shall be open to inspection and audit by representatives of the Parties at all reasonable times, and shall furnish to each of the Parties, in sufficient form and detail to fulfill the requirements of such Party, all such geological, geophysical, engineering and other information (including cores, cuttings, samples, logs and analyses) in respect of such operations as such Party may request. The Operator shall not make any expenditure or incur any liability not authorized by a program and budget approved by the Operating Committee except as provided in paragraph 6 hereof. The Operator shall indemnify and hold the Parties harmless from and against any and all liability, cost and expense in connection with claims of third parties based on any act or omission of the Operator not authorized by the Operating Committee or on the negligence of the Operator; providing that the Operating Committee shall authorize the Operator to maintain appropriate insurance, the cost of which shall be included in the costs to be shared by the parties hereunder. In payment for the services rendered from time to time by Pan Nevada hereunder Pantepec and Pancoastal shall pay Pan Nevada on the basis of the time devoted by Pan Nevada under the term of this agreement and reimburse Pan Nevada for disbursements made by it in performance of the services under this agreement.

The Operator shall have the exclusive right, authority and obligation to take possession of the Properties and to enter thereon at any time and all times and to maintain and keep in good standing the Properties, free and clear of liens and encumbrances (subject to the encumbrances existing against the Properties at the date hereof), and shall, upon and pursuant to the direction of the Operating Committee, renew the same to the extent permitted by law, all subject to Paragraphs 10 and 11.

5. Independent Programs

Any party may propose a program of exploration or development to the Operating Committee at any time. If the Operating Committee should decline to adopt such program, either of the Parties owning a beneficial interest (hereinafter referred to as the "proposing party"), may, within thirty (30) days, direct the Operator to proceed with such a program if

(a) during the twelve (12) month period immediately prior to the submission to the Operating Committee of the proposed program expenditures on authorized programs charged to the joint account, and

(b) approved budgets for the twelve (12) month period following the date of said submission for authorized programs in existance at the time of said submission,

do not exceed Seventy-five Thousand Dollars ($75,000.00).

If such direction is given, such program shall be deemed an independent program and shall be conducted by the Operator at the proposing party's sole risk and expense, provided that the proposing party deposit in a special trust account for that purpose sufficient funds to cover the

estimated cost of the proposed program on which the Operator may draw to pay the costs of said program. If these conditions are met the Operator shall proceed with such independent program in a diligent manner in accordance with good mining and engineering practices on behalf of the proposing party. The foregoing notwithstanding, the Operator shall not be obliged to proceed with any such program if it involves work which would interfere with or obstruct other operations then in progress for the joint account or involve danger to the Properties or to personnel working thereon.

In the event such independent program should result in the discovery or delineation of a commercial ore body, the proposing party shall be entitled to all ores produced therefrom, if any, until such time as the value of such production after deducting the usual smelter and transportation charges shall equal three hundred and fifty per cent (350%) of the cost of such independent program, plus One hundred per cent (100%) of the cost of producing such ore during such period as determined in accordance with good accounting practice as generally applied in the mining industry. Thereafter, such production shall be owned in proportion to the parties' respective undivided interests in the Properties.

6. Contributions

The Parties shall contribute in advance to the costs contemplated by programs and budgets determined by the Operating Committee, including the Operator's costs, and to rents and charges with respect to all leases, and other rights comprising the Properties, in proportion to their respective interests in the Properties and production from time to time. Contributions shall be made after the program and budget to which they relate are determined and shall

be due not later than thirty (30) days after notice to each Party from the Operator. Contributions shall be deposited in such bank account or accounts as the Operating Committee may designate. Contributions shall be made in such currencies as may be required for the operations, and each Party shall contribute each required currency pro rata.

Proper adjustment shall be made monthly between advances and actual costs to the end that each party shall bear and pay its proportionate share of actual costs incurred and no more, and the Operator shall provide itemized monthly statements to the parties of all expenditures made out of or for the joint account, such monthly statements to contain a comprehensive progress report on each authorized program.

In addition to making required payments under programs and budgets approved and authorized by the Operating Committee, the Operator is hereby authorized to make the following payments for the joint account of the parties hereto:

(a) the Operator shall pay all taxes, assessments, rentals, mortgage principal and interest, and other charges due on the Properties at least thirty (30) days in advance of their due dates, and will provide the parties with copies of receipts or other evidences of such payments at least fifteen (15) days in advance of such due dates, and shall forthwith take active proceedings to have all liens or privileges filed against the Properties removed;

(b) the Operator may make payments apart from payments specifically covered by an approved budget if the expenditures are required by an emergency or in order to comply with any rule,

regulation, order, or directive of the authorities of the State of Nevada in which event the Operator may make such expenditures and shall forthwith advise the members of the Operating Committee thereof in writing;

(c) should the Operating Committee be unable to agree on an authorized program, the Operator shall be deemed authorized to implement such reasonable program as may be necessary to meet the minimum requirements for the Properties as are set by the authorities or by the terms of the leases, and to pay the reasonable costs and expenses of same.

7. Defaults

If either party shall fail to make any contribution required by Paragraph 6, the delinquent party shall become liable for the amount of the default plus interest at the rate of ten per cent (10%) per annum payable monthly. Each party shall have the right to elect to apply the amount of such default, together with interest accrued thereon, against the purchase of a portion of the delinquent party's undivided ownership in the Properties, the production therefrom and all tangible property, moveable or immoveable, acquired with contributions made pursuant to this Agreement. In the event that a party should so elect, it shall furnish the delinquent party with written notice of its intentions so to do; and if the delinquent party has not made good its default within ninety (90) days of the giving of such notice, the undivided ownership in the Properties, production and equipment shall be adjusted so that the undivided interest of the delinquent party shall be decreased by, and that of the other party increased by, that percentage which the amount remaining due from the delinquent party to the joint account at the end of such ninety (90) day

period for its share of such costs and expenses and accrued interest bears to the total amount expended on the Properties for the joint account from the date on which the first expenditures were made on the Properties by Pancoastal. Immediately after such adjustment takes place the amount owing by the delinquent party immediately prior to such adjustment shall be paid by the other party.

8. Change of Operator

The Operator may resign or be discharged or removed as Operator as follows:

(a) The Operator may at any time resign as Operator hereunder upon the giving of six (6) months written notice to the Non-operator.

(b) At the option of the other parties hereto, the Operator may be discharged as the Operator in each and every of the events following:

(i) if the Operator shall become insolvent or bankrupt, or a Receiving Order be made against the Operator which remains in effect for thirty (30) days or the Operator be ordered to be wound up by any court of competent jurisdiction or make a general assignment for the benefit of creditors or otherwise acknowledge its insolvency;

(ii) if any process of execution be levied or enforced upon or against any interest of the Operator in the Properties and remain unsatisfied for the space of thirty (30) days;

(iii) upon ninety (90) days notice by Pancoastal, and Pantepec;

(iv) if default shall be made by the Operator in observing or performing any covenant or condition of this Agreement

on its part to be observed or performed and if such default shall continue for a period of thirty (30) days after a notice in writing has been given by the other party to the Operator specifying such default and requiring the Operator to put an end to the same.

For the purposes of this preceding clause only and notwithstanding any other provision of this Agreement, if there is any dispute between the parties as to whether or not there is a default or if such default has been remedied within the time provided, the complaining party may give to the Operator written notice of its determination to submit the matter to a referee. If the parties cannot agree on a referee within ten (10) days, they shall each name a referee, which referees shall select a third. The referee or referees shall meet in Reno (unless the parties decide otherwise) within fifteen (15) days of their appointment to consider the matter complained of. The decision of the referee or of the majority of referees shall be binding upon the parties hereto and the costs of such procedure shall be borne by the party against whom such decision is made and from which decision there is no appeal either to the courts of law or to the arbitrator provided herein. In the event of a decision against the Operator, the Operator shall be given thirty (30) days in which to remedy the default.

(v) if the Operator shall assign all or any part of this Agreement as provided in paragraph 18 below.

In the event of the resignation, discharge or removal of the Operator as hereinabove provided, Pancoastal shall become the Operator and shall assume control of the Properties and of the operations thereon as Operator under this Agreement, and in the case of discharge or removal the parties shall use their best

efforts to cause an orderly transformation of the functions of the Operator to be made within forty-five (45) days of such discharge or removal.

9. Dispostion of Production

Either Pancoastal or Pantepec shall have the right to take and dispose of its share of production from the Properties. Should either party fail to take and dispose of its share of such production, Operator may contract for the sale of such production from the Properties provided that it does not commit the non-contracting party's or parties' share of such production except upon terms and conditions which are customary in Nevada for the particular ores in question.

10. Abandonment

If, after the production of ores or minerals, (mined or processed), is obtained from any portion of the Properties, the production from a particular mine or mines thereon is such that the continued operation thereof would, in the opinion of either Pancoastal or Pantepec, result in a financial loss to it and that no further mining operations therein should be pursued, then in such event, upon request of either Pancoastal or Pantepec, such mining operations shall be abandoned and the cost of such abandonment shall be an operating expense hereunder; except that if the other party (Pancoastal or Pantepec, as the case may be) should desire that such mining operations not be abandoned, such other party shall, within thirty (30) days following such request, furnish the party desiring to abandon with written notice of its election to continue mining operations in such mine or mines at its sole cost and expense.

Upon a party's election to continue mining operations in such mine or mines, such party shall immediately pay to the

other its share of the salvage value determined by mutually acceptable independent appraisers of all fixtures, structures, machinery, equipment and material necessary for the continued operation of such mine or mines and the abandoning party shall thereupon assign to the other party its interest in that portion of the Properties upon which such mine or mines are located. Upon any such assignment the assignor shall have no further rights to operate any such mine or mines nor to receive any portion of the proceeds of the subsequent production therefrom, and the assignor shall be relieved of all duties, liabilities and obligations thereafter incurred or arising in connection with the continued operation of such mine or mines. Any assignment made pursuant to the provisions of this paragraph shall contain a warranty that the interest conveyed is free and clear of all liens, claims or encumbrances caused, created or suffered by, or under the assigning party, except those incurred or arising in the course of operations conducted hereunder for the joint account.

The foregoing notwithstanding, should the assignee subsequently suspend mining operations in such mine or mines or the processing of ore from said property for a period exceeding three (3) months, the other party shall have the right to require such assignee to re-assign to it, its original interest in such mine or mines, in which event, such mine or mines and properties on which they are located, shall once more become subject to this Agreement upon such re-assignment. The requiring party shall pay to the re-assigning party its proportionate share of the salvage value determined by mutually acceptable independent appraisers of all fixtures, structures, machinery, equipment and material located

thereon. The re-assigning party shall warrant that the interest reconveyed is free and clear of all liens, claims or encumbrances caused or suffered by or under it.

11. Relinquishment

Either Pancoastal or Pantepec may elect to relinquish its interest in part or all of the Properties, upon the giving of thirty (30) days written notice to the other. If the other party (Pancoastal or Pantepec, as the case may be) does not join in such relinquishment, the relinquishing party shall assign such interest in the Properties to the other warranting the same to be free and clear of any liens, claims or encumbrances caused, suffered or created by the assigning party except for those incurred or arising in the course of operations conducted for the joint account at which time such part of the Properties will cease to be subject to this Agreement. In the event of such an assignment, the assignee shall pay within six (6) months thereof to the assignor its share of the salvage value determined by mutually acceptable independent appraisers of all fixtures, structures and equipment which form part of the assigned property. No party may elect to relinquish its interest in an area smaller than that which may be surrendered in accordance with the terms of applicable law; nor may a party avoid accrued obligations or obligations assumed in connection with an authorized program or approved budget by virtue of such a relinquishment.

12. Insurance

The Operator shall carry such Workmen's Compensation and employer's liability insurance as may be required by law for the joint account of the parties hereto. No other insurance shall

be carried for the benefit of or at the expense of the joint account or the parties except by mutual consent, except that any party conducting an independent operation pursuant to Paragraph 5 above shall carry insurance covering the parties in amounts, with insurance companies and of kinds satisfactory to them. The Operator shall give the other party prompt notice of any actual or potential losses or claims, giving full details as to the nature and extent thereof.

13. <u>After -acquired Properties</u>

Should either Pancoastal or Pantepec directly or indirectly acquire any mineral right or interest (other than one relating to hydrocarbons) covering lands located within twenty (20) miles of any of the Properties listed in Schedule A, the acquiring party shall notify the non-acquiring party (Pancoastal of Pantepec, as the case may be) of such acquisition, providing the latter with a description of the property and the terms and conditions of the acquisition. The non-acquiring party shall have sixty (60) days from the giving of such notice within which to reimburse the acquiring party for that percentage of the latter's acquisition costs equivalent to the former's percentage undivided interest in the Properties, in which event the acquired properties shall become subject to this Agreement. This paragraph shall not be applicable to any interest acquired by one of the parties hereto from another.

14. <u>Governing Law and Force Majeure</u>

This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada.

All obligations of the parties hereto shall be suspended while, but only so long as, either party is prevented from complying

with such obligations, in whole or in part, by abnormal severe weather, explosion, mining casualty, fire, flood, civil or military authority, insurrection, riots, strikes, lockouts, acts of God, unavoidable accidents, uncontrollable delays in transportation, any State or Federal laws, regulations, or other matters beyond reasonable control of the party so affected, whether similar to the matters herein specifically enumerated or not, provided however, that performance shall be resumed within a reasonable time after such cause has been removed; and provided further that the Operator shall not be required, against its will, to adjust any labor dispute, or to question the validity of or to refrain from judicially testing the validity of any State or Federal order, regulation or law.

15. Liability of Parties

The liability of the parties shall be several, not joint or collective. Each party shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Unit Area. It is not the intention of the parties to create, nor shall this agreement be construed as creating, a mining or other partnership or association, or to render them liable as partners.

16. Provision Concerning Taxation

Each of the parties hereto elects, under the authority of Section 761(a) of the Internal Revenue Code of 1954, to be excluded from the application of all of the provisions of Subchapter K of Chapter 1 of Subtitle A of the Internal Revenue Code of 1954. If the income tax laws of the state or states in which the property covered hereby is located contain, or may hereafter contain, provisions similar to those contained in the Subchapter of the Internal

Revenue Code of 1954 above referred to under which a similar election is permitted, each of the parties agrees that such election shall be exercised. Each party authorizes and directs the Operator to execute such an election or elections on its behalf and to file the election with the proper governmental office or agency. If requested by the Operator so to do, each party agrees to execute and join in such an election.

17. Notices

All notices, reports, statements, authorizations and other instruments required or permitted hereunder shall be reduced to writing and forwarded by airmail or cable, postage or charges prepaid, addressed to the parties as follows:

If to Pancoastal:

Suite 500
37 Lewis Street
Hartford, Connecticut 06103

If to Pantepec:

Suite 500
37 Lewis Street
Hartford, Connecticut 06103

If to Pan Nevada:

Suite 500
37 Lewis Street
Hartford, Connecticut 06103

18. Assignments

The terms and conditions of this Agreement shall be binding upon and enure to the benefit of the parties, their successors and assigns; provided, however that

(a) without the consent of the other party, which consent shall not be unreasonably withheld,

(i) no party shall assign, transfer or convey all or any part of this Agreement without assigning, transferring or conveying an equivalent interest in the Properties, the production therefrom and tangible property referred to in paragraph 2 to the same party;

(ii) no party shall assign, mortgage, pledge, charge or convey any of its rights in the Properties except as specifically provided in this Agreement.

Notwithstanding the foregoing,

(a) no assignment shall be binding upon the non-assigning party until the first day of the second calendar month following that in which the assignor or assignee shall have furnished the non-assigning party with an executed or photographic copy thereof together with the proper post office address of the assignee; and

(b) no assignment of less than the entire interest of one of the parties to this agreement shall serve to confer upon the owners of such entire interest the collective right to name more than one representative on the Operating Committee.

All assignments, whether expressly stated or not, shall operate to impose upon the assigned interest any unpaid obligations theretofore chargeable hereunder to such assigned interest.

19. Subsidies. Any subsidy which may be payable by the United States Government, State, County or Municipality or any agency thereof with respect to work carried out on the Properties

shall be credited to the parties hereto in accordance with their ownership interests in the Properties at the time that such subsidy is paid.

20. Duration.

This Agreement shall remain in full force and effect so long as any of the Properties remain subject to this Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers as of the date first above recited.

PANCOASTAL, INC.

By D R Lamont

PANTEPEC INTERNATIONAL, INC.

By J. W. Bailey

PAN-NEVADA INC.

By Jerrine L. Bu

E X H I B I T " A "

TO AN OPERATING AGREEMENT BY AND BETWEEN PANCOASTAL, INC., PANTEPEC INTERNATIONAL, INC. AND PAN-NEVADA INC., DATED AS OF MARCH 1, 1968

Properties held under Mining Lease No. 1 by and between BEST CHANCE MINING COMPANY and PANCOASTAL, INC., made the 5th day of October, 1967.

Properties held under Mining Lease No. 2 by and between BEST CHANCE MINING COMPANY, LEGEND CORPORATION, FRANK W. LEWIS AND PANTEPEC INTERNATIONAL, INC., made the 20th day of October, 1967.

The "Lucie" claims are included on page 5 of Mining Lease No. 2.

Addresses of lessors on page 51.

In 26

MINING LEASE
NO. 2

THIS LEASE, made the 20th day of October, 1967, between BEST CHANCE MINING COMPANY, a Nevada corporation, LEGEND CORPORATION, a Nevada corporation, and FRANK W. LEWIS, Lessors; and PANTEPEC INTERNATIONAL, INC., a Delaware corporation, c/o The Catawba Corporation, 37 Lewis Street, Hartford, Connecticut 06103, Lessee;

W I T N E S S E T H :

1. RIGHTS GRANTED TO LESSEE.

That the said lessors, for and in consideration of the rents, royalties, covenants and agreements hereinafter set forth, and by the said lessee to be paid, kept and performed, has let, and by these presents does let, unto the lessee, all of the following described mines and mining properties, situated in the State of Nevada, as listed on the following pages:

ADAMS, REED & BOWEN
ATTORNEYS AT LAW
ARLINGTON-RIDGE BUILDING
290 SOUTH ARLINGTON AVENUE
RENO, NEVADA

E X H I B I T " A "
TO AN OPERATING AGREEMENT BY AND BETWEEN
PANCOASTAL, INC., PANTEPEC INTERNATIONAL, INC.
AND PAN-NEVADA INC., DATED AS OF MARCH 1, 1968

Properties held under Mining Lease No. 1 by and between BEST CHANCE MINING COMPANY and PANCOASTAL, INC., made the 5th day of October, 1967.

Properties held under Mining Lease No. 2 by and between BEST CHANCE MINING COMPANY, LEGEND CORPORATION, FRANK W. LEWIS AND PANTEPEC INTERNATIONAL, INC., made the 20th day of October, 1967.

CHURCHILL COUNTY, NEVADA

TABLE MOUNTAIN MINING DISTRICT

PATENTED MILLSITES

TABLE MOUNTAIN MILLSITES

Survey No. 1930, Flora May Millsite

Survey No. 1931, Copper Clance Millsite

Survey No. 1932, Lamertine Millsite

Survey No. 1933, O'Donnell Millsite

Title in name of Frank W. Lewis.

CHURCHILL COUNTY, NEVADA

DESERT MINING DISTRICT

PATENTED MINE

MABEL B. MINE

Survey No. 3609, Mabel B.

Title in name of Frank W. Lewis

ELKO COUNTY, NEVADA

BULLION (RAILROAD) MINING DISTRICT

PATENTED MINE

COPPER BELL MINE

Survey No. 41, Bald Mountain Chief

Survey No. 42, Copper Bell Lode

Title in name of Frank W. Lewis.

ELKO COUNTY, NEVADA

SALMON RIVER MINING DISTRICT

PATENTED MINE

EFFIE FAY MINE

Survey No. 4122, Lenore
Survey No. 4122, Saint Louis No. 1
Survey No. 4122, Saint Louis No. 2
Survey No. 4198, Panther City
Survey No. 4198, Panther City No. 1
Survey No. 4198, Panther City No. 2
Survey No. 4199, Olinda
Survey No. 4199, Olinda No. 1
Survey No. 4199, Olinda No. 2
Survey No. 4199, Olinda No. 3
Survey No. 4239, Lucie No. 1
Survey No. 4239, Lucie No. 2
Survey No. 4239, Lucie No. 3
Survey No. 4239, Lucie No. 5
Survey No. 4239, Lucie No. 6
Survey No. 4239, Lucie No. 7
Survey No. 4239, Lucie No. 8
Survey No. 4239, Lucie No. 9
Survey No. 4239, Lucie No. 11
Survey No. 4239, Lucie No. 12
Survey No. 4259, Portland Fraction
Survey No. 4259, Portland No. 1
Survey No. 4259, Portland No. 2
Survey No. 4259, Portland No. 3
Survey No. 4259, Portland No. 4
Survey No. 4259, Portland No. 5
Survey No. 4259, Portland No. 6
Survey No. 4259, Portland No. 7
Survey No. 4259, Portland No. 8
Survey No. 4261, Blue Rock No. 1
Survey No. 4261, Blue Rock No. 3
Survey No. 4261, Blue Rock No. 4
Survey No. 4261, Blue Rock No. 5
Survey No. 4261, Blue Rock No. 6
Survey No. 4261, Blue Rock No. 7
Survey No. 4261, Blue Rock No. 8
Survey No. 4261, Blue Rock No. 9
Survey No. 4267, Winona Fraction
Survey No. 4554, Effie Fay No. 1
Survey No. 4554, Effie Fay No. 3
Survey No. 4554, Effie Fay No. 4
Survey No. 4554, Effie Fay No. 6
Survey No. 4554, Effie Fay No. 7
Survey No. 4554, Blue Lead
Survey No. 4554, Monitor
Survey No. 4554, Bella No. 13
Survey No. 4554, Copper Shield
Survey No. 4554, Copper Shield No. 2
Survey No. 4586, Mint

LUCIE CLAIMS

Title in name of Legend Corporation.

EUREKA COUNTY, NEVADA

MINERAL HILLS MINING DISTRICT

UNPATENTED PLACER

HI PLACER

	Location Certificate
Hi Placer Mining Claim File No. 38378	Liber P of Outside Mining, Page 66.

(excepting therefrom any overlapping conflicts)

Title in name of Best Chance Mining Company.

ELKO COUNTY, NEVADA

UNKNOWN MINING DISTRICT

PATENTED MINE

COMET MINE

Survey No. 4411, Comet
Survey No. 4411, Clover No. 1
Survey No. 4411, Clover No. 2
Survey No. 4411, Clover No. 3
Survey No. 4411, Clover No. 4
Survey No. 4411, Clover No. 5
Survey No. 4411, Clover No. 6
Survey No. 4411, Clover No. 7
Survey No. 4411, Clover No. 8

Title in name of Frank W. Lewis

ELKO COUNTY, NEVADA

ISLAND MOUNTAIN MINING DISTRICT

PATENTED MINE

VANDEVEER-HILL MINE

Survey No. 2069, Vandeveer

Survey No. 2069, Hill

Title in name of Frank W. Lewis

ELKO COUNTY, NEVADA

WYOMING MINING DISTRICT

PATENTED MINE

MARDIS MINE

Survey No. 37 A, Mardis

Survey No. 37 B, Mardis Millsite

Title in name of Frank W. Lewis

ELKO COUNTY, NEVADA

ALLEGHANY MINING DISTRICT

PATENTED MINE

ALLEGHANY-COPPER

Survey No. 3745, Hank
Survey No. 3745, Hobo
Survey No. 3745, Will

The following 2 properties are included subject to termination of existing agreements.

Survey No. 3745, Elevated
Survey No. 3745, Polly

Title in name of Frank W. Lewis.

ESMERALDA COUNTY, NEVADA

MONTEZUMA MINING DISTRICT

PATENTED MINE

MONTEZUMA MINES

Survey No. 3429, Rambler
Survey No. 3429, Horse
Survey No. 4041, Washington No. 2
Survey No. 4237, White Rose
Survey No. 4237, Grey Eagle No. 1
Survey No. 4237, Grey Eagle No. 2

Title in name of Frank W. Lewis

ESMERALDA COUNTY, NEVADA

SILVER PEAK MINING DISTRICT

PATENTED MINE

EMPIRE STATE MINES

Survey No. 53, Empire State Consolidated No. 1

Survey No. 54, Empire State Consolidated No. 3

Survey No. 55, Empire State Consolidated No. 5

Title in name of Legend Corporation.

ESMERALDA COUNTY, NEVADA

SILVER PEAK MINING DISTRICT

PATENTED MINES

SILVER EAGLE MINES

Survey No. 38, Silver Eagle

Survey No. 2688, Paris Lode

Title in name of Frank W. Lewis

ESMERALDA COUNTY, NEVADA

GOLDFIELD MINING DISTRICT

PATENTED MINES

GOLDFIELD MINES

Survey No. 2574, Red Butte No. 4

Survey No. 3235, Anna May

Survey No. 3604, Watson No. 3

Title in name of Frank W. Lewis

ESMERALDA COUNTY, NEVADA

GOLDFIELD MINING DISTRICT

PATENTED MINES

VALLEY VIEW

Survey No. 3882, Valley View

Title in name of Legend Corporation.

HUMBOLDT COUNTY, NEVADA

BLACK ROCK MINING DISTRICT

PATENTED PLACER

BRIMSTONE SULPHUR MINES

Survey No. 4600, Brimstone

Survey No. 4598, Scheole No. 9

Survey No. 4598, Portions of Occult

Survey No. 4598, Portions of Hilltop

Survey No. 4355, Portions of Scheole No. 4

Survey No. 4355, Portions of Scheole No. 5

Title in name of Frank W. Lewis.

(Foregoing descriptions refer to all property owned by Frank W. Lewis, not previously sold or under agreements.)

LANDER COUNTY, NEVADA

LEWIS MINING DISTRICT

PATENTED MINES

EMMA & SILVA MINES

Survey No. 47, Emma

Survey No. 48, Silva

Title in name of Frank W. Lewis

LANDER COUNTY, NEVADA

BATTLE MOUNTAIN MINING DISTRICT

PATENTED MINES

Survey No. 59, Robert Emmett
Survey No. 60, Eureka

UNPATENTED MINES
(excepting therefrom any overlapping conflicts)

Name	Certificate of Location Book	Page
Driscol High Grade	22	248
Driscol No. 1	22	249
Driscol No. 2	22	249
Driscol No. 3	22	250
Driscol No. 4	2	34
Driscol No. 5	2	62
Driscol No. 6	2	63
Driscol No. 7	2	64
Driscol No. 8	2	65
Driscol No. 9	7	234
Driscol No. 10	7	235
Driscol No. 11	7	236
Driscol No. 12	7	237
Driscol No. 13	7	238
Driscol No. 14	7	239
Driscol No. 15	7	240

Title in name of Frank W. Lewis

(Notation and exception:

Frank W. Lewis has previously leased the Driscol Mine.

In the event of a conflict or in the event Lewis is forced to re-instate his lease then this property shall be deleted from this Lease.

Provided said previous Lessee reinstates his Lease on this property, then in that event Lewis shall receive all back payments past due.

Future payments and royalties shall go ½ to Lessee hereto and ½ to Lewis, anything herein to the contrary notwithstanding, so long as the Lease hereto is in good standing.)

LANDER COUNTY, NEVADA

BATTLE MOUNTAIN MINING DISTRICT

PERSPIRATION AND APRIL MINE

UNPATENTED MINES

(excepting therefrom any overlapping conflicts)

Name	Certificate of Location Book	Page
April	4	317
Perspiration No. 1	2	66
Perspiration No. 2	13	155
Perspiration No. 3	13	156

Title in name of Frank W. Lewis.

LANDER COUNTY, NEVADA

BATTLE MOUNTAIN MINING DISTRICT

UNPATENTED MINE

BLISTER MINE

(excepting therefrom any overlapping conflicts)

Name	Location Certificate Book	Page
Blister	4	316

Title in name of Frank W. Lewis.

LANDER COUNTY, NEVADA

TELLURIDE MINING DISTRICT

UNPATENTED MINE

MAGMATIC MINE

(excepting therefrom any overlapping conflicts)

Name	Certificate of Location Book	Page
Quartz No. 1	5	761
Quartz No. 2	5	760
Quartz No. 3	9	299
Quartz No. 4	9	300

Title in name of Legend Corporation.

LANDER COUNTY, NEVADA

REESE RIVER MINING DISTRICT

METTACOM MINE

PATENTED MINE

Survey No. 45, Mettacom

UNPATENTED MINE

(excepting therefrom any overlapping conflicts)

Name	Certificate of Location Book	Page
Mettacom No. 1	9	213

Title in name of Frank W. Lewis

LYON COUNTY, NEVADA

MASON MINING DISTRICT

PATENTED MINES

YERINGTON MINES

Survey No. 2985, Bloody Butcher
Survey No. 3087, Happy Thought
Survey No. 3140, Lime Ridge Copper & Lime Lode
Survey No. 3157, Copper Age
Survey No. 3157, Copper Knob
Survey No. 3157, Morning Star
Survey No. 3436, Miko
Survey No. 3436, Moray
Survey No. 3436, Moray No. 1
Survey No. 3436, Moray No. 3
Survey No. 3553, George Dewey
Survey No. 3692, Butte
Survey No. 3836, Pioneer

Title in name of Frank W. Lewis

LYON COUNTY, NEVADA

MASON MINING DISTRICT

PATENTED MINES

RED TOP AND COYOTE MINES

Survey No. 2985, Red Top
Survey No. 2985, Red Top Extension
Survey No. 2985, North End
Survey No. 2985, North End No. 2
Survey No. 2985, Hidden Treasure
Survey No. 2985, White Bird Gypsum
Survey No. 2985, Rosland

Survey No. 4046, Coyote No. 1
Survey No. 4046, Coyote No. 2, NE 740 feet
Survey No. 4046, Coyote No. 3
Survey No. 4046, Coyote No. 4
Survey No. 4046, Coyote No. 5

Title in name of Legend Corporation.

MINERAL COUNTY, NEVADA

GOLD RANGE MINING DISTRICT

PATENTED MINE

LUCKY STRIKE MINE

Survey No. 4116, Lucky Strike
Survey No. 4116, Southwesterly Extension of the Lucky Strike
Survey No. 4116, Queen of the Desert
Survey No. 4116, Jumbo

Title in name of Frank W. Lewis

MINERAL COUNTY, NEVADA

BELL MINING DISTRICT

PATENTED MINE

MINA GOLD MINE

Survey No. 4288, Ideal

Survey No. 4288, Buckeye

Survey No. 4288, Aviator

Survey No. 4288, Two Buckle

Survey No. 4288, Monster

Title in name of Frank W. Lewis.

NYE COUNTY, NEVADA

FAIRPLAY MINING DISTRICT

UNPATENTED MINE

FAIRPLAY MINE

(excepting therefrom any overlapping conflicts)

Name	Certificate of Location Book	Page
Fairplay No. 1	56	518
Fairplay No. 2	56	519

Title in name of Frank W. Lewis.

NYE COUNTY, NEVADA

TROY MINING DISTRICT

PATENTED MINE

SCHIBLER MINE

Survey No. 39, Schibler Lode

Survey No. 40, Keller Lode

Title in name of Frank W. Lewis.

NYE COUNTY, NEVADA

WILLOW CREEK MINING DISTRICT

UNPATENTED MINE

MELLBORNE MINE

(excepting therefrom any overlapping conflicts)

Name	Certificate of Location Book	Page
Mellborne	98	401
Willow 1	98	402

Title in name of Frank W. Lewis.

PERSHING COUNTY, NEVADA

TRINITY MINING DISTRICT

PATENTED MINE

VICTOR ANTIMONY SILVER MINE

Survey No. 1794, Victor

Survey No. 1794, Clipper

Survey No. 1794, Hoodlum

Title in name of Frank W. Lewis

PERSHING COUNTY, NEVADA

UNKNOWN MINING DISTRICT

PATENTED MINE

BLACK EAGLE MINE

Survey No. 4812, Black Eagle No. 1

Survey No. 4812, Black Eagle No. 2

Survey No. 4812, Black Eagle No. 3

Survey No. 4812, Black Eagle No. 4

Survey No. 4812, Black Eagle No. 5

Title in name of Frank W. Lewis.

STOREY COUNTY, NEVADA

VIRGINIA MINING DISTRICT

PATENTED MINE

SCORPION MINE

Survey No. 108, Progress Quartz

Title in name of Frank W. Lewis.

WHITE PINE COUNTY, NEVADA

ROBINSON MINING DISTRICT

PATENTED MINES

BLUE BELL MINE

Survey No. 3253, Blue Bell

Survey No. 3253, Blue Bell No. 1

Survey No. 3982, Summit

See 5 Fwd

Title in name of Best Chance Mining Company.

WHITE PINE COUNTY, NEVADA

RUBY HILL MINING DISTRICT

PATENTED MINE

RUBY HILL MINE

Survey No. 39, Silver Wreath
Title in name of Best Chance Mining Company.

UNPATENTED MINE

Name	Certificate of Location Book	Page
R. H. No. 1	275	92
R. H. No. 2	275	91
R. H. No. 3	275	94
R. H. No. 4	275	93

Title in name of Frank W. Lewis.

WHITE PINE COUNTY, NEVADA

SILVER CANYON MINING DISTRICT

PATENTED MINE

IRON DUKE COPPER MINE

Survey No. 2779, Iron Duke

Survey No. 2779, Peck

Survey No. 2780, Siegel

Title in name of Best Chance Mining Company.

WHITE PINE MINING COUNTY, NEVADA

WARM SPRINGS MINING DISTRICT

PATENTED MILLSITE

NETTIE McCURDY MILLSITE

Survey No. 37 B, Nettie McCurdy Millsite

Title in name of Best Chance Mining Company.

(This millsite is included subject to concluding any pending negotiations.

Principal value of this property is for a geo-thermal steam site and access to water.)

PERSHING COUNTY, NEVADA

ROCHESTER MINING DISTRICT

PATENTED MINES

CANYON MINES

Survey No. 4158, Canyon

Survey No. 4158, Canyon No. 1

Survey No. 4252, Blue Bird Lode

Title in name of Legend Corporation.

PERSHING COUNTY, NEVADA

KENNEDY MINING DISTRICT

PATENTED MINES

CHROMO MINES

Survey No. 2097, Chromo

Survey No. 2097, Hidden Treasure No. 2

Title in name of Legend Corporation.

STOREY COUNTY, NEVADA

VIRGINIA MINING DISTRICT

PATENTED MINES

MARSANO AND COMSTOCK MINES

Survey No. 97, Marsano

Survey No. 107, Comstock (N. Comstock Mng)

Title in name of Legend Corporation.

DOUGLAS COUNTY, NEVADA

BUCKSKIN MINING DISTRICT

PATENTED MINE

GOLD HILL MINE

Survey No. 3582, Gold Hill

Survey No. 3582, Gold Hill No. 2

Survey No. 3582, Gold Hill No. 3

Survey No. 3582, Gold Hill Fraction

Title in name of Legend Corporation.

DOUGLAS COUNTY, NEVADA

UNORGANIZED MINING DISTRICT

PATENTED MINES

SAN JUAN AND EL CAPITAN MINES

Survey No. 3912, San Juan

Survey No. 3912, El Capitan

Title in name of Legend Corporation.

TOGETHER WITH the minerals, placers, lodes and veins, all dips, spurs and angles, all water rights, ditches and ditch rights used in connection therewith or thereto appertaining, all buildings and other improvements now on said property, any and all ore dumps and tailings dumps on said property; together with all and singular the tenements, hereditaments and appurtenances thereto belonging or appertaining.

With the exclusive right and privilege of prospecting and exploring for, and of mining, strip-mining, extracting and removing therefrom valuable minerals and ores (on mineral properties) and to construct all works, improvements, buildings, plants, structures, roads, spur tracks, power lines and other works and facilities upon the leased property, and to make such other use of said property, including the use of water and timber thereon, and the dumping of waste and stock-piling and processing of ore thereon, as may be necessary or convenient in the mining, strip-mining, disposing, processing and marketing of valuable minerals and ores thereon and therefrom; together with the rights of ingress and egress thereto and therefrom, insofar as lessors can grant such rights.

Since entering negotiations for the within lease, lessor, FRANK W. LEWIS, haspurchased by quitclaim deed, the Crescent Lode, Hot Creek Mining District, Nye County, Nevada, Survey No. 39. In the event that lessee desires to lease said claim and include it in the within lease, subject to all of the provisions thereof, lessee may do so at its option by the payment of the sum of ONE THOUSAND DOLLARS ($1,000) to lessor, FRANK W. LEWIS. Said sum shall be in addition to all other sums payable hereunder by lessee and must be made on or before October 20, 1967. Payment of said sum on or before October 20, 1967 shall cause the said property to become subject to the within lease. In the event payment is not made by

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lessee on or before October 20, 1967, the said property shall not become subject to the within lease and lessor, FRANK W. LEWIS, may deal with said property as he sees fit.

CLAIMS LOCATED OR TO BE LOCATED, OR PROPERTY ACQUIRED UNDER THIS AGREEMENT

A. Any additional property acquired by lessee, or anyone under its control, during the term hereof in the above-described mining districts, or within 6,000 feet of any of the herein listed claims, shall be deemed covered by this lease and shall be acquired and held in the name of LEGEND CORPORATION.

B. Water applications acquired upon or for use upon property herein shall be acquired, held and placed to use in the name of LEGEND CORPORATION.

C. Other real property purchased by lessee in the above sections and townships shall be acquired in the name of LEGEND CORPORATION, and included in this lease. If any purchase of adjacent mining properties be made by lessee, lessee shall be credited 150% return of purchase price from such purchased property before LEGEND CORPORATION shall be entitled to any payments from ore shipped therefrom.

D. Other real property leased or acquired from third parties by lessee in the above sections and townships shall be leased or acquired in the name of LEGEND CORPORATION and included in this lease. If any lease or acquisition of such mining properties be made by lessee, lessee under the within lease shall be entitled to deduct payments made by lessee to third parties under the respective lease or acquisition agreements made with third parties, prior to computation of amounts owing from lessee to LEGEND CORPORATION hereunder, attributable to production from the specific property leased from third parties.

All computations and payments set forth hereinabove shall be made with respect to each separate acquisition of property. Computations of amounts due from lessee hereunder to LEGEND CORPORATION with respect to after-acquired property shall be made separately for each property after-acquired from third parties.

E. In the event lessors, or any person or any party controlled by lessors, shall acquire any additional properties within the mining districts covered by the within lease, lessee shall be promptly notified of such acquisition and furnished a description of the property and the terms and conditions of the acquisition. Lessee, at its option, may elect within thirty (30) days of receipt of such notice, to reimburse lessors or acquiring party, for the costs of acquisition

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and assume any obligations pertaining to the acquisition, in which event such acquired property shall be included within and be subject to all of the terms and provisions of this lease. In the event such acquisition is subject to the provisions of any lease or agreement entered into by lessors with third parties prior to the date of the within lease, any provisions in such prior lease or agreement pertaining to such after-acquired property shall take precedence and shall control the disposition of such after-acquired property.

F. In the event lessors may desire to locate, lease, purchase or otherwise acquire property within mining districts covered by the within lease, they may, prior to actual acquisition, prepare a general plan for acquisition of such property, including a general description thereof and an estimate of the total cost of acquisition. Lessors may then submit to lessee the proposed plan. Lessee shall have fifteen (15) days following submission of the proposed plan in which to notify lessors of its election to acquire the said property, in accordance with the terms of the within lease. If the plan of acquisition under consideration involves location of claims on open land, lessee shall provide a team of not less than two (2) men to commence making the said locations, within five (5) days of its election to proceed with the said acquisition.

In the event lessee does not notify lessors of its election to proceed with property acquisitions proposed by lessors, within fifteen (15) days from receipt of the proposal, lessors may, at their option, proceed with the general plan of acquisition for their own use and purposes without further regard to the within lease.

The total cost of the proposed acquisitions, under the terms of the within Paragraph 1-F, shall be limited to FIFTY THOUSAND DOLLARS ($50,000) or less. In the event said total cost is FIFTY THOUSAND DOLLARS ($50,000) or less, lessee shall make an election hereunder, upon proper presentation of the proposal by lessors. In the event the estimated total cost of acquisition exceeds FIFTY THOUSAND DOLLARS ($50,000), lessee will not be required to make an election hereunder, but at its option may proceed under the provisions of Paragraph 1-E above, to place the said acquisitions under the terms of the within lease.

To have and to hold unto the said lessee for a term of ninety-nine (99) years from the date hereof, unless sooner cancelled or forfeited.

And in consideration of said lease, the said lessee does covenant and agree with said lessors as follows, to wit:

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2. OPERATIONS.

Lessee shall enter upon said mine or premises and work and develop the same in a manner necessary to good and economical mining, so as to take out the greatest amount of ore possible, with due regard to the safety, development and preservation of the said premises as a workable mine; and also to develop the non-mineral properties hereto so as to derive the maximum income therefrom.

Lessee shall keep at all times the drifts, shafts, tunnels and other passages and workings of said demised premises used by lessee thoroughly drained and clear of loose rock and rubbish of all kinds, in a minerlike fashion where prudent.

Lessee shall well and sufficiently timber said mines at all points where proper, and repair all old timbering wherever it may become necessary.

3. INSPECTION OF PREMISES.

The lessors at their own risk and expense, at all times, may inspect all of lessee's operations on the properties, conducting this in such manner as to least interfere with lessee's operation. In such inspection assays may be taken and surveys may be made.

4. ASSIGNMENT.

This lease may be assigned or sublet by lessee without the written consent of lessors. Lessee or its successors agree to give written notice, by registered mail, seven (7) days prior to the effective date of any such assignment to lessors thereof, and it is expressly agreed that any such assignee shall be expressly bound to perform all of the obligations of lessee hereunder upon receiving any such assignment. Said lease may be assigned successively in accordance with the provisions hereof. Each assignee shall post notices of non-responsibility as required hereunder in

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Paragraph No. 16, prior to the effective date of any assignment.

Assignment of this lease by lessee shall not relieve original lessee or any subsequent lessee of liability to make any payments due or past due, as well as turning over all information due under PARAGRAPH 25 hereof.

5. CROSS OR PARALLEL LODES.

Lessee shall occupy and hold all cross or parallel lodes, dips, spurs, feeders, crevices or mineral deposits of any kind which may be discovered in working under this lease, or by the said lessee, or any person or persons under it, in any manner, as the property of said lessors, with privilege to said lessee of working the same as an appurtenance of said demised premises during the term of this lease; and to not locate or record the same, or allow the same to be located or recorded, except in the name of lessors.

6. ASSESSMENT WORK.

Assessment work shall be performed and filed prior to May first (1st) of every year on all unpatented claims and notification of filing with reference to the book and page number shall be conveyed by notice as herein provided to lessors by May fifteenth (15th) of the same year.

7. TAXES, ASSESSMENTS AND CHARGES.

Lessors and lessee shall pay their respective portion of any and all gross or net product, proceeds or severence taxes, if any, that are or may hereafter be levied upon or against production from said properties.

Lessee agrees that during the term hereof it will pay all other taxes coming due henceforth within ten (10) days of billing, including all real and personal property taxes, assessments and charges levied or assessed by county, state, federal, local, municipal or other government agencies against said mining properties

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or improvements or personal property situate thereon or on account of any products mined, shipped and sold therefrom.

From the sales of ore or concentrates the lessors and lessee shall be entitled to claim depletion for Internal Revenue Service purposes in the proportional amounts paid in royalties to lessors and lessee.

8. NON-ROYALTY PAYMENTS.

Lessee shall pay to lessors the following rental sums for and in consideration of lessors signing and leasing unto lessee the herein described premises:

A. EIGHT THOUSAND DOLLARS ($8,000), payable October 15, 1967.

B. A monthly minimum payment of SEVEN HUNDRED FIFTY DOLLARS ($750) is to be paid for each and every month this agreement is in effect, beginning November 15, 1967, and continuing through October 14, 1971. The monthly minimum payment due lessors shall be TWELVE HUNDRED FIFTY DOLLARS ($1,250) per month, beginning with the payment due November 15, 1971, and continuing on the fifteenth (15th) day of every month thereafter.

9. ACTUAL ROYALTIES.

A. Lessors shall receive an actual royalty of FIVE PERCENT (5%) mill or FIVE PERCENT (5%) net smelter returns on all minerals or ores mined, shipped and sold by lessee from the leased property.

As used herein the term "net smelter returns" shall be construed to mean and shall mean the gross selling price of the ores, less the cost of hauling the same from the leased premises to railroad cars for shipment to smelter or other reduction works purchasing the same, and rail freight charges from such shipping point to smelter, or of trucking charges from leased premises direct to smelter, if handled in that manner, together with smelting and handling charges.

In the event ores are processed in a mill owned, operated or controlled by lessee (directly or indirectly), or a mill upon the properties hereto, no deductions shall be made for milling, transportation to the mill or other charges and lessors may elect to take their share of concentrates or bullion by weight and make their own disposition of said concentrates.

In the event lessors elect to ship their concentrates along with lessee's to be marketed, then, in that

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event, lessors shall pay their proportionate share of freight and smelting charges.

Any amount due and payable to lessors as actual royalty shall be paid by lessee to lessors within sixty (60) days after such shipment or removal.

B. In the event lessee receives rentals, payments, royalties or other income from utilitzation of non-mineral properties, including millsites, water rights and town lots, or otherwise, including improvements which may hereafter be constructed thereon, FIVE PERCENT (5%) of the same shall be paid by lessee to lessors within sixty (60) days.

10. SHIPMENTS MADE IN NAME OF OWNER.

All shipments of ores from the above claims shall be made in the name of the owner of the claims.

11. DUPLICATE COPY OF LEASE TO SMELTER.

Prior to shipping any ores lessee shall furnish the smelter or other reductions works processing or purchasing such ores with instructions relative to payment. Such instructions may take the form either of a duplicate copy of this lease, or joint instructions from both lessors and lessee. Payments to lessors shall be computed in accordance with the provisions of such instructions. The smelter or reduction works treating the ores shall cause the payments of royalties due lessors to be sent directly to lessors.

12. ACCOUNTING.

Lessee shall keep books of account showing the amount of ores extracted from said mine, and other income from these leased premises, the amount of ore shipped, sold or treated, and the amount of money received from the sale of said ores or the values extracted therefrom.

Lessee shall deliver to said lessors, at the end of the term, lessors' proportionate share of all ores extracted from said mine and which have not been shipped, sold, treated or reduced;

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that a duplicate of all mill, smelter or retort returns shall be furnished by the mill owner, or by the owner of the smelter or retort, to said lessors; and that said books of account shall be open at all reasonable times to the said lessors and their representatives.

13. TITLE.

Lessee acknowledges that certain unresolved conflicts and overlaps of claims herein leased may exist and agrees to lease the properties set forth herein subject to any such overlaps or deficiencies of title or description. Lessee further agrees there shall be no recourse against lessors by suit, setoff or otherwise in the event such conflicts or overlaps result in litigation or loss of any of the demised properties. Lessors agree to cooperate in defense of any litigation or claim by third parties to any of the demised premises. Lessee may elect not to defend any such claim or suit at its option. In such event, lessee will promptly notify lessors of its election not to defend and lessors may make such defense as they see fit.

At lessee's expense, lessee may bring quiet title actions or patent proceedings to clear up any title deficiencies or improve the title hereto, in the name of lessors.

In the event of litigation or dispute with third parties concerning title or possessory right, either lessors or lessee may defend or prosecute such litigation, but neither shall be required to do so.

For information purposes only, attached hereto as Exhibit "A" are the numbers of policies of title insurance which have been furnished by lessors to lessee.

Title to all claims hereto are leased as is.

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14. TERMINATION OR FORFEITURE.

Lessee shall deliver up to the said lessors the said premises, with the appurtenances and all improvements, as and if used by lessee, in good order and condition, with all shafts and tunnels and other passages thoroughly clear of rubbish and drained, where prudent, and in minerlike fashion, and the mine in all points ready for immediate continued working, accidents not arising from negligence alone excusing, without demand or further notice at the end of the ninety-nine (99) year term at noon, or at any time previous, upon demand for forfeiture or cancellation as herein provided.

15. PAY WAGES.

Lessee agrees to promptly pay all wages for work done and to comply with all laws, federal, state and local, pertaining to mining and mining operations.

16. CLAIMS, LIENS AND INSURANCE.

This lease is made upon the express condition that lessors are to be held free by lessee from all liability and claims for damages by reason of any injury to any person or persons or property while in or upon the said premises during the term of this lease; and lessee hereby covenants and agrees to indemnify and save harmless the lessors from all liability on account of or by reason of such injuries or damages growing out of the same. In this respect, lessee shall obtain and maintain throughout the term of this lease a policy of insurance with some insurance company authorized to do business in the State of Nevada by the Insurance Commissioner, protecting lessors from liability for injury on the premises, in the amount of $100,000, for any injury to any one person, and $300,000 for injuries arising out of any one accident or incident, and further protecting lessors from liability for damages to personal property occurring on the said premises in the amount of

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$50,000 for damages to the property of any one person. Lessee agrees to furnish to lessors satisfactory proof of the existence of said insurance.

Lessee shall keep and hold harmless lessors and the property hereby leased from all claims, liens, claims for labor done and performed, materials and supplies furnished, personal injury, or injuries of workmen which may arise or occur hereafter, and lessee shall subject itself to the provisions of the Nevada Industrial Act as amended, making all necessary premium payments and deposits thereunder. Lessee shall post and keep posted on the premises and recorded in the county public records good and sufficient notices of non-responsibility of lessors and lessors' property, prior to undertaking any work or improvement or successive improvements.

17. TIME IS OF THE ESSENCE.

Time is of the essence of this agreement, and in the event that lessee shall fail to make any payment or payments as herein provided, or shall fail to perform each and every covenant, term and condition as herein provided, the lessors may after thirty (30) days' notice in writing given to lessee within which to cure said default or violation, and provided said default or violation has not been cured during said thirty-day period, declare said lease forfeited, cancelled and terminated, and enter and repossess all of the property herein demised, with or without process of law. Where the default complained of cannot be cured by lessee acting as expeditiously as possible within the thirty-day period herein provided, lessee shall give written notice such is the case and such time shall be extended to the length of time necessary in order to cure said default, providing that the lessee is exercising its best efforts to correct the same and submits a detailed plan of curing

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same; HOWEVER, this provision for extension of the default period shall not apply to the making of payments required hereunder, or the performance of assessment work.

18. NOTICE.

All written notices provided for in the foregoing lease agreement to be served upon the respective parties shall be sent by registered mail, air mail where applicable, through a United States Post Office, postage prepaid, and addressed to the parties at their respective addresses as follows:

A. Notice to lessee shall be addressed to:

Pantepec International, Inc.
37 Lewis Street
Hartford, Connecticut 06103

And to:

The Catawba Corporation
103 East 37th Street
New York, New York 10016

B. Notices to lessors shall be addressed to:

Best Chance Mining Company
Box 1172
Ely, Nevada

And to:

Frank W. Lewis
~~6904 Woodman Avenue~~
~~Van Nuys, California~~ 120 GREENRIDGE DRIVE
RENO, NEVADA 89502

And to:

Legend Corporation
c/o Edward C. Reed, Jr., Esq.
Box 187
Reno, Nevada

Any of said parties may furnish notice of change of address by giving notice as above, to the other party, and the date of mailing, plus forty-eight (48) hours, shall constitute the date of delivery.

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19. INSPECTION.

Lessee is leasing these premises based upon its own inspection.

20. TERMINATION.

At any time during the term of this agreement, but only after thirty (30) days' written notice, the lessee may abandon its interest therein by executing and delivering a quitclaim deed or other appropriate form or notice of such abandonment, in recordable form, to the lessors, conveying all of its right, title and interest in and to said claims.

21. PARTIAL ABANDONMENT.

With respect to properties obtained by lessee from the respective lessors under the provisions of the within lease, as of the date of the within lease, lessee may at any time, and from time to time, quitclaim deed such properties to the respective lessors. If lessee elects to do so, it must quitclaim all of the properties in the particular mining district which were obtained from lessors as of the date of the within lease. All other provisions and payments of the within lease would remain unchanged.

With respect to any property which lessee may purchase, lease or acquire after the date of the within lease, as set forth hereinabove, lessee may quitclaim or return each such property to LEGEND CORPORATION individually. Such quitclaim or return of each individual property may be made by lessee to LEGEND CORPORATION without reference to or return of any other after-acquired property in the same mining district, and without reference to or return of any other properties which had been obtained as of the date of the within lease within the said mining district.

22. SUSPENSION OF PERFORMANCE.

In the event that the lessee's operations on the properties

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shall be interrupted by acts of God, war, national emergencies, inclement weather, strikes, civil commotion or other matters beyond its reasonable control, then the lessee's obligation hereunder shall be deferred during the period of such interruptions, excepting only to the performance of annual assessment work, and to the payment of taxes, and the minimum monthly payments.

23. NO REFUNDS.

Under no circumstances shall any sums paid hereunder to lessors be refundable. All payments due lessors shall be made directly to lessors at such address as they shall direct.

24. SHORT FORM LEASE.

Lessors and lessee shall execute and acknowledge a short form lease for the purpose of recordation, which will refer to and incorporate this lease therein by reference and state generally therein the description of the mining property and the term of the lease.

25. DRILL LOGS, ASSAYS, MAPS.

Copies of all drill logs, exploration information, assays, maps and other information shall be furnished to lessors thirty (30) days prior to the termination and cancellation of this lease.

26. SUCCESSORS AND ASSIGNS.

Each and every clause and covenant to this lease, where the context requires it, shall extend to and include the heirs, administrators, executors, successors and assigns of the parties hereto.

27. PAYMENTS.

Lessors hereto appoint LEGEND CORPORATION to receive and distribute all payments due lessors.

IN WITNESS WHEREOF, the parties hereto have executed this

ADAMS, REED & BOWEN
ATTORNEYS AT LAW
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lease, consisting of fifty-five (55) pages, including this page and Page 43-A, the day and year first above written.

LESSORS:

BEST CHANCE MINING COMPANY

By _____

LEGEND CORPORATION

By _____

_____
FRANK W. LEWIS

LESSEE:

PANTEPEC INTERNATIONAL, INC.

By _____
John W. Buckley
President

ADAMS, REED & BOWEN
ATTORNEYS AT LAW
ARLINGTON-RIDGE BUILDING
290 SOUTH ARLINGTON AVENUE
RENO, NEVADA

POLICIES OF TITLE INSURANCE
FURNISHED BY LESSORS TO LESSEE

NAME OF COMPANY	POLICY NO.	DATE
PIONEER TITLE INSURANCE COMPANY OF NEVADA	EC-2436	December 22, 1963
TITLE INSURANCE AND TRUST COMPANY and PIONEER NATIONAL TITLE INSURANCE COMPANY	HU-1039	March 17, 1967
PIONEER TITLE INSURANCE COMPANY OF NEVADA	EC-3332	June 9, 1965
FIRST TITLE INSURANCE COMPANY	093 EL T/O 7455 EL	October 4, 1966

ADAMS, REED & BOWEN
ATTORNEYS AT LAW
ARLINGTON-RIDGE BUILDING
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RENO, NEVADA

EXHIBIT "A"

E. J. LONGYEAR COMPANY
308 EAST PIMA STREET
PHOENIX, ARIZONA 85004
PHONE 258-6543
GEN. OFFICE - MINNEAPOLIS, MINN.

February 3, 1969

Pan-Nevada Inc.
Suite 2
830 Ryland Avenue
Reno, Nevada

SUBJECT: PROPOSAL COVERING YOUR PLANNED CORE DRILLING PROGRAM APPROXIMATELY FIVE MILES WEST OF CONTACT, NEVADA

Gentlemen:

1. We are pleased to submit our proposal which will cover your planned core drilling program in the above subject area.

2. It is our understanding that your program will consist of a minimum of 3,000 linear feet of NQ and BQ size drill holes of which none are expected to exceed 1,000 feet in total length or depth. The total number of holes you plan to drill is four.

It is expected that overburden depth will vary from very little to possibly as much as 50 feet and will be composed of sand and boulders.

The diamond drilling is expected to be carried out in relatively solid granitic type rocks.

It is understood that you possibly may wish some angle hole drilling as well as vertical holes.

Ample water may be available in an old mine tunnel approximately 800 feet from the first drill site. Possibly a water truck will not be required for all of the holes and we would not plan to use it unless the distance would be such or the supply of water insufficient which would make the water truck usage necessary.

Living accommodations for the drill crew are meager to non-existent in the area. The Contractor will be required to furnish a trailer or make other arrangements for the crew in the immediate area of the job.

It is understood that your starting date for this work is sometime during March, 1969.

It is understood that Pan-Nevada will prepare and maintain the necessary access roads and will construct the required drill sites including mud pits.

3. For the work as outlined above, we propose to furnish one Longyear drilling machine of suitable capacity together with all the required accessory equipment including service vehicles.

We would expect to carry out the program operating a minimum of one shift per day on a six day per week basis.

4. We will carry public liability insurance covering personal injury and property damage and Workmen's Compensation insurance and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

5. Based upon conditions which we expect will prevail on this program, we are pleased to outline our price schedule below:

a) Mobilization and demobilization of personnel and drilling equipment from our Ely, Nevada facility.....$425.00 lump sum/rig

b) Overburden drilling - Alluvial material or weathered ledge rock where rotary bits are applicable -

	4-1/2" Size
0 to 100 feet in depth.....	$5.95 per foot

c) Diamond core drilling - Vertical holes -

	NQ WL	BQ WL
0 to 500 feet in depth.....	$7.75/ft.	$7.50/ft.
500 to 1,000 feet in depth.....	$8.25/ft.	$8.00/ft.

NOTE: In the event angle hole drilling is desired it is understood that an additional charge of $0.40 per foot will be made to the above increment charges. Furthermore, angle holes will be limited to a minus 45 degrees or steeper as measured from the horizontal.

d) Reaming for casing, if required and where applicable - All sizes involved.....$3.95 per foot

e) Standby time or delays for the convenience of Pan-Nevada or for which they are responsible will be invoiced at.....$14.75 per hour with 2-man drill crew.

f) Time spent by crews performing cementing activity, installing or pulling casing or performing other necessary hole stabilizing or hole plugging activity will be invoiced at.....$16.50 per hour for each 2-man drill crew.

g) Cement, drill mud, additives or other hole stabilizing or hole plugging material consumed will be invoiced at our jobsite cost, plus a 10% handling charge.

h) Casing lost or left in holes at your request will be invoiced at our replacement cost, jobsite basis.

i) Water truck service, if required -

1) Truck rental - $250.00 per month plus 20 cents per mile traveled while engaged in water hauling activity.

2) A source of water will be provided by Pan-Nevada at no cost to the Longyear Company.

3) If and when required, a separate, full time water truck driver will be furnished for $3.75 per hour. If the water hauling activity can be carried out by using the drill helper as the water truck driver and without subjecting the drilling to delays, no charge will be made for the driving service.

j) Core boxes, cardboard type, capacity ten feet of core in either NX or BX size will be furnished by the Longyear Company for.....$1.00 each

6. Cores and/or samples obtained in the drilling will be turned over to your representative at the drill sites in containers furnished by you or by the Longyear Company as outlined above.

7. Provided acceptable financial information is not available, it is understood that this proposal is subject to the condition that you secure written approval of your arrangement for payment for the work to be performed before it is commenced. Written approval can only be given by a corporate officer by separate letter. Also, such approval can be withheld in his sole discretion.

8. Statements covering the work performed will be prepared as promptly as possible after the fifteenth and last day of each month and payment will become due within twenty days from your receipt of invoice.

9. We appreciate the opportunity to make our drilling service available to you for this project. If awarded the work, it is understood that the commencement of the project would be dependent upon the availability of personnel and equipment at that particular time. Because of this, we would appreciate your advising us as much in advance as possible so that we can make every effort to make equipment and personnel available to start the work at your planned starting date.

Sincerely,

E. J. LONGYEAR COMPANY

J.R. Miller

Manager, Southwestern Zone
Contract Drilling Division

J.R.Miller:jag

ACCEPTED:

Company _____

By _____

Date _____

Item 2(c)

LEGEND CORPORATION
120 Greenridge Drive
Reno, Nevada 89502

Phone:
(702) 323-0303

August 22, 1969

Pantepec International, Inc.
R. C. Wilson
37 Lewis Street
Hartford, Conn. 06103

Re: Lucie Properties
Elko County, Nev.
Mining Lease #2

Dear Mr. Wilson:

This is to acknowledge your request that Legend Corporation sign a lien and subordination agreement MME Form 52 on 10 patented mining claims, situated in T. 45 N., R. 63 E. Sec. 27, 28 33, 34, MDBM, Salmon River Mining District, Elko Co., Nevada, Survey No. 4239, Patent No. 485357, known as the "Lucie No. 1","Lucie No. 2", "Lucie No. 3", "Lucie No. 5", "Lucie No. 6", "Lucie No. 7", "Lucie No. 8", "Lucie No. 9", "Lucie No. 11", "Lucie No. 12".

We have considered this matter carefully and advise you herewith that we will not sign any such agreement.

Sincerely,

LEGEND CORPORATION

F. W. Lewis

F. W. Lewis
President

policy for Pine Point to bolster [illegible] payments from retained earn[illegible] Such a course offers short-term, if [illegible] benefits' to shareholders.

Louanna Participating In Mokta Drill Program

I would like to have some news about Louanna Gold Mines. They were supposed to be diamond drilling in January.

A. R. D., Sullivan, Mo.

Drilling began in March on a copper prospect near Uranium City, Northern Saskatchewan, in which Louanna Gold Mines has a participating interest. Mokta (Canada) is in charge of the $430,000 program, which is being carried out on ground optioned from Consolidated Skeena Mines. Skeena also retains a participating interest.

Drilling is planned this summer on claims held jointly by Louanna and Patricia Silver Mines in Jessop Twp., in the Timmins area of Ontario. This is a copper-zinc-gold prospect.

Louanna officials are also giving some consideration to the possibility of further work on the company's gold prospect at O'Sullivan Lake, north of Nakina, Northern Ontario. It is likely that the costs of further underground work will be investigated. Previous owners sank a shaft to a depth of 300 ft. on the property, and carried out work on two levels.

Scandia Mining Plans Active Season

Encouraging results have been obtained by Scandia Mining and Exploration in prospecting, trenching and surface sampling on its Mitchinamecu uranium property which comprises a block of 26 claims located in the northern part of Joliette 60 Twp. in the St. Anne du Lac area of Quebec, President B. O. Kvendbo advises. The company has recently staked another 30 claims north of this group.

On its 10-claim prospect in Leman Twp., in the same area, encouragement has also been obtained, Mr. Kvendbo says. As a result, an exploration program is to be commenced on both groups within a couple of weeks, and likely will include diamond drilling where warranted.

Mr. Kvendbo points out that the company's original large holdings in the area, the Lac Forestier group, is now held under a working option agreement by the P. M. Malouf interests, of Montreal. The agreement provides that, if exercised in full, Scandia will retain a 30% carried interest in the operation. Drilling is continuing on the property.

The company retains its property in Isle Dieu Twp., in the Matagami area of Quebec, and is currently carrying out electromagnetic and magnetometer check surveys of indications from an airborne survey. Drilling will be done if warranted, Mr. Kvendbo says.

COSTA RICAN VENTURE

Consolidated Negus Mines, First National Uranium Mines and Northwest Ventures plan to jointly-acquire an option on 16 exploratory permits in Costa Rica. This they will do by forming a new Ontario company to acquire two Costa Rican companies each of which holds eight permits.

of the small properties have now been consolidated under Yarandry and Catawba.

Report Expected

The current program consists of geological mapping, geochemical surveys, rehabilitation of the Colon Peaks-Silver Peak mines with underground mapping, sampling and surveying, sampling of waste and old tailings dumps, and metallurgical testing. A consulting engineer's report is expected shortly confirming the completion of preliminary underground work. Drilling to test the downdip continuity of ore in the two mines was scheduled to start May 1. Geochemical sampling on the surrounding property has been particularly encouraging, The Northern Miner was told.

Expenditure on the property to date is about $225,000, shared equally between Yarandry and Catawba. To finance its share of the current program, Yarandry recently sold 700,000 shares for $330,000. During 1968, 1,000,000 shares were sold for $165,000. There are now 2,450,005 shares issued.

Current assets at Oct. 31, 1968, were $57,746, against current liabilities of $29,338. During the year, exploration cost $61,315, and administration $37,009.

At the annual meeting this week, F. A. Rush was elected a director, and other directors were re-elected. Shareholders approved an increase in capitalizatiton from 3,000,000 to 5,000,000 shares.

Calta Drilling Nevada Property

A drill program aimed at confirming a series of medium to high grade vein systems is now in progress on the Nevada property of Calta Mines.

Under the present program, the 12 holes drilled have all encountered copper mineralization. While all assay results have not yet been received, C. A. Armstrong, president, states that the program has pointed to the existence of a series of parallel veins.

On the vein where drilling is now in progress, hole No. N-4 intersected 1.29% copper over eight feet; hole N-5, located 800 ft. northwest of hole No. N-4, intersected 1.5% copper and 0.25 ozs. silver over seven feet and the latest hole, located 500 ft. to the northwest of hole No. N-5, intersected 12 ft. of copper mineralization. Assays have not as yet been received respecting this 12-ft. section. This vein has now been traced over 2,000 ft. and drilling is continuing.

A crew is now moving onto the property to rehabilitate the Nevada Bellevue workings where the company's previous drill program indicated 585,000 tons grading 2.05% copper and 0.41 ozs. silver per ton. Once the rehabilitation program is complete, drifting and underground drilling will commence.

Tagami Continues Drilling Acquires New Property

Drilling is continuing on Tagami Mines "A" property in the Rouyn-Noranda area of Quebec. Mineralization has been intersected in the three holes completed and cores have been sent out for assay.

A preliminary report by consultant Ronald Bradshaw on Tagami's newly-acquired Thorn Hill property, in the same area, shows that 63 shallow drill holes have been completed on three gold zones, representing 30,832 ft. drilling. Thirty-two holes intersected gold values, with some of the better sections carrying values of 0.19-1.14 ozs. gold per ton, over widths of 8.1-31.0 ft. Although gold values appear erratic, states the report, gold structures are strong. There is ample justification for further investiga-

Contract Diamond Drilling
HEAD OFFICE
Box 40[illegible] Malartic, P.O. Tel: 757-1620. Night, 757-3331
TORONTO OFFICE
601 Co[illegible]rse Building, 100 Adelaide Street West
Tel: 368-2748

RONALD EDGECOMBE
AND COMPANY LIMITED
DIAMONDS for
DIAMOND DRILLING
133 RICHMOND STREET WEST
TORONTO, ONTARIO

GOME
DIAMOND DRILLING LIMITED
CONTRACT DIAMOND DRILLING
SOIL SAMPLING
29 Endicott Terrace, Welland, Ontario
Phone: (416) 735-5924

heath and sherwood drilling
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NORANDA, QUE.
Phone: 762-4759
TIMMINS, ONT.
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N. MORISSETTE DIAMOND DRILLING LIMITED
HAILEYBURY, ONT.
MEMBER — C.D.D.A.
CONT
DIAMOND
Box 789

DELRO INDUSTRIES
manufacturers
precision diam
line of diamo

o Daily Free Press
Elko, Nev.

Date: DEC 28 1968

Drilling to Start Soon At County Copper Site

Drilling will start shortly to test two large geochemical copper anomalies on the Nevada claims of Calta Mines Ltd., president G. Arnold Armstrong said.

The targets are closely spaced and have a combined length of 7,300 feet with average widths of approximately 1,000 feet.

Several other anomalies, remote from these substantial targets, have also been outlined on Calta's 7,000 acre property near Contact in Elko County.

Armstrong said that many additional copper showings have been found on 230 new claims either staked or optioned by the company during the summer. Calta now has a total of 371 claims in a district which was formerly the scene of high-grade copper production and is currently the center of attraction for an increasing number of exploration companies.

Consulting engineer, J. W. Stollery, P. Eng., of Cordilleran Engineering Ltd., has recommended a $1.2 million two-phase development program for the property. The first phase, to cost $400,000, will include 15,000 feet of drilling on the two major anomalies which have been also outlined by geological mapping.

Armstrong said that it is in the south-eastern portion of one of these anomalies that Calta has a high-grade copper deposit. Previous drilling plus holes by Calta have already outlined indicated ore reserves of 600,000 tons grading two per cent copper. Silver and molybdenum values are also present.

In an interim report, Stollery says "this deposit could conceivably be developed for underground mining in the future." He has recommended, however, that this work be delayed until Calta has explored its recently-discovered anomalies with a view to developing sufficient tonnage for open-pit mining.

Surface trenching, the engineer reports, has uncovered a well-fractured zone containing widespread copper mineralization over a strike length of 5,000 feet with varying widths of up to 400 feet.

Channel samples taken to test the grade of some of the better mineralization in the trenches returned the following assays:

2.49 per cent copper over 35 feet; 1.22 per cent over 10 feet; .91 per cent over 40 feet; 1.30 per cent over 10 feet; 1.27 per cent over 150 feet; .73 per cent over 180 feet.

Armstrong said that together with the drilling program the first stage of the $1.2 million development will also see rehabilitation of many of old workings within the 230 recently-acquired claims where a third major exploration target very likely exists.

Also included in this first phase, he added, is additional geochemical work, geological mapping, surface trenching and sampling and preliminary metallurgical testing.

The second phase would cost at least $800,000 and would include a full-scale development drilling program, and feasibility study, combined with trenching, exploratory drilling and underground development work of the third major target area.

Stollery summed up: "The property can be considered to have excellent potential and further work is definitely warranted."

Item 3(c) Nevada Bureau of Mines Bulletin 34.

WALL) DISTRICT

mineral resources of
, p. 39–40.
ing district, Nevada,
S. Geol. Survey Bull.

in Nevada: Nevada

Copper Mountain dis-
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hundred feet west of Seventy-Six Creek. It is said to have consisted of 600 feet of underground workings. The tunnel drift is 900 feet long and follows a vein reported to contain (1914) an 18-inch-wide ore shoot with value of $16.00 in copper and gold.

Prunty mine.—The Prunty mine is on Seventy-Six Creek about a third of a mile above the Graham mine. The production of silver, gold, copper, and antimony was small.

Placers

The first mineral deposits found in the district were placers, chiefly on the west side of Seventy-Six Creek about 4 miles above Charleston. Placer deposits in Pennsylvania Gulch, Union Gulch, Dry Ravine, and Badger Creek, all between Seventy-Six Creek and the Bruneau River, were also worked in the early days. According to Vanderburg (1936), the placer gravels of the district also extend for miles along the Bruneau River. They consist mainly of well-rounded pebbles derived from rhyolite, rather coarsely crystalline, quartzite, and granite. In places the gravels are 50 feet thick. The gold recovered is rather fine.

CONTACT (KIT CARSON, PORTER, SALMON RIVER) DISTRICT

Copper, silver

Sources of information

Schrader, F. C., 1912, A reconnaissance of the Jarbidge, Contact, and Elk Mountain mining districts, Elko County, Nevada: U. S. Geol. Survey Bull. 497, p. 99–150.

Lincoln, F. C., 1923, Mining districts and mineral resources of Nevada: Nevada Newsletter Pub. Co., Reno, p. 40–41.

Schrader, F. C., 1935, The Contact mining district, Nevada: U. S. Geol. Survey Bull. 847-A, 41 p.

Location

The Contact mining district is in the northeastern part of the county, about 35 miles east of the Jarbidge district. The town of Contact, the principal settlement, is near the center of the district, about 15 miles south of the Idaho state line and 40 miles west of the Utah boundary. Salmon Falls Creek, the largest stream east of the Bruneau River in northeastern Nevada, flows in the shape of a horseshoe through the district and thence north, past the town of Contact, into the Snake River in Idaho.

History and production

The district probably was discovered in 1870 and prospected for gold. Production records for the 38 years prior to 1908 are not available; however, minor shipments of copper ores were

made periodically. The district reached its maximum production in 1916–1918 with additional peaks of production in 1928–1930 and 1942–1946. Figure 5 is a graph of annual production and value of ore from 1905 to 1949. From 1913 to 1949 the district produced 34,404 tons of ore with a total value of $702,760. The metal values were mainly in copper and silver, with minor values in lead and gold.

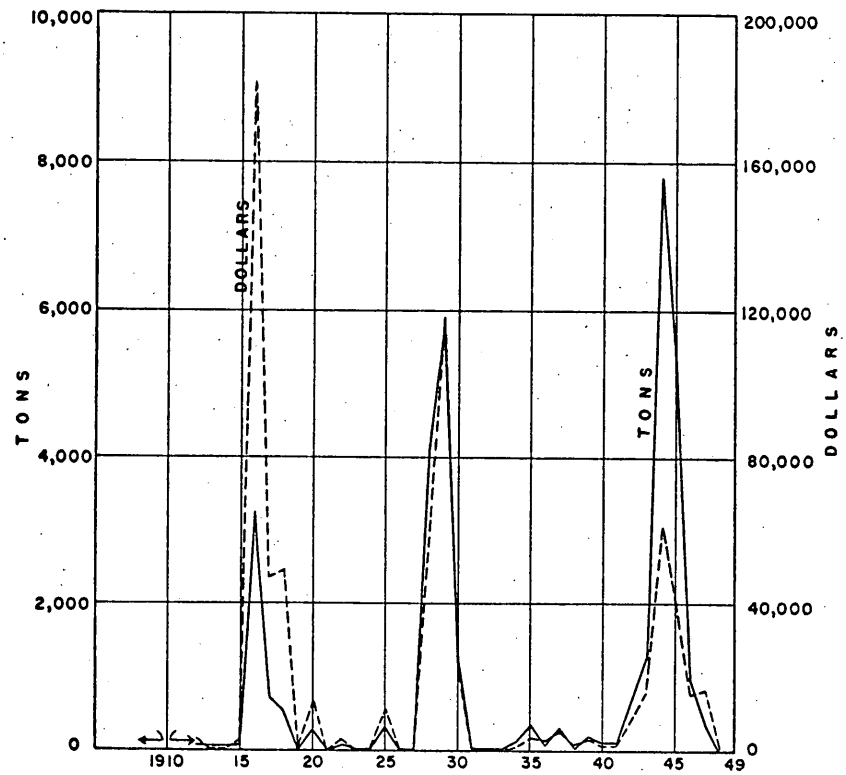

Figure 5. Annual production and value of ore in the Contact mining district, 1905–1949

Geology

The Contact district is underlain by folded and tilted Carboniferous sedimentary rocks, cut by granitic intrusive bodies, and surrounded by Tertiary lavas (see pl. 5).

The Carboniferous sedimentary rocks form an outward-dipping belt from a mile to several miles wide, that encircles a topographic basin underlain by granitic rocks. The sedimentary rocks have been intruded by granitic rocks on the inner side and overlapped by Tertiary lavas on the outer side. The exposed thickness of about 1,600 feet probably does not constitute the entire Paleozoic

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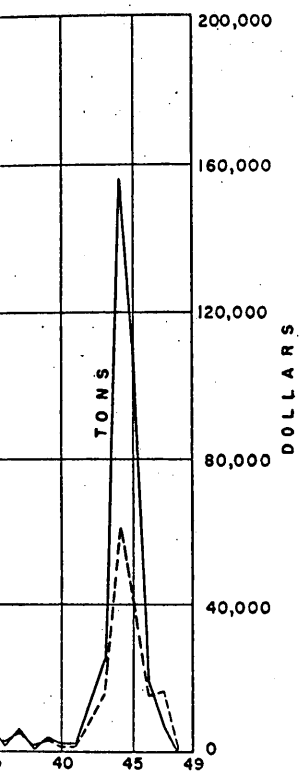

of ore in the Contact
49

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ute the entire Paleozoic

section. The Carboniferous rocks consist in descending order of 1,100 feet of limestone with minor amounts of quartzite, 300 feet of slate or dark slaty to shaly quartzite, and 200 feet of basal (?) quartzite.

The limestone has been metamorphosed along the contact with the granitic rocks for a distance up to several hundred feet from the contact. The limestone is in part silicified and in part silicated, with the formation of actinolite, garnet, chlorite, diopside, and lesser amounts of scapolite and other silicates.

The igneous rocks of the district comprise several types of granitic intrusive and Tertiary volcanic rocks. The oldest of the granitic rocks is granodiorite which is exposed in an area 25 miles long in an east-west direction and 6 miles wide north-south. The granodiorite has cut the sedimentary rocks, which generally dip away from the contact.

The granodiorite is a gray, speckled rock of medium to moderate coarse grain. Most of the grains have maximum dimensions of 1 to 2 millimeters. The rock contains about 55 percent plagioclase, 20 percent granular interstitial quartz, 10 percent potash feldspar, and 15 percent biotite.

The granodiorite shows effects of deuteric alteration near the contact between it and the sedimentary rocks, and locally includes large, unoriented blocks of limestone and quartzite (Reeves, R. G., oral communication).

Dikes, mostly alaskitic in composition, cut the granodiorite and the Carboniferous rocks. Most of the dikes are less than 5 feet wide, but some attain widths of 200 feet or more. Only the larger and more persistent dikes are mapped on plate 5. Most of them are pale pink or flesh-colored, especially when weathered. The rock is composed mainly of potash feldspar and oligoclase in roughly equal proportions, with quartz, biotite, and hornblende.

Mineral deposits (data from Schrader, 1935; developments refer to 1930)

The mineral deposits of the Contact district are principally in the contact zone bordering the granodiorite and within the granodiorite area near the dikes. Copper is the main commodity, but the deposits also contain some gold and silver, and locally enough lead to be of value. The deposits are of three related kinds: (1) deposits of ore closely related to contact metamorphosed limestone, commonly close to the border of the granodiorite mass; (2) fissure veins, and (3) deposits along fissures in or near dikes or disseminated in fractured parts of such dikes.

Contact-metamorphic deposits.—Contact-metamorphic deposits are on the contact of the main granodiorite body and in the

metamorphosed limestone. The principal hypogene copper mineral is chalcopyrite; bornite is also present. Most of the lodes are 15 to 30 feet thick, but commonly only certain bands within the lode contain workable ore. The copper content of the ore mined ranged from 3 percent or less to rarely as much as 50 percent. Several bodies of 10-percent copper ore have much of their copper in certain narrow high-grade bands. Nearly all of the workings were in oxidized ore. In places, however, considerable massive chalcopyrite was present.

In these lodes the content of precious metals varies with that of the copper. Except in bands of nearly massive sulfide, the amount of silver and gold is minor.

Fissure veins.—The veins follow lines of fissuring and brecciation in both granodiorite and sedimentary rocks. A few are on the granodiorite-sedimentary rock contact in places where contact metamorphism is inconspicuous.

The veins of this type are rudely banded largely as the result of shearing. Most are from 1 to 10 feet in thickness. Some veins contained 3 to 10 percent of copper and small amounts of precious metals. Certain of the veins, low in copper, evidently originally contained galena, sphalerite, and probably some argentite; but these minerals have been largely oxidized. Most of the lead ore contained 10 to 20 percent lead, 4 to 20 ounces of silver to the ton, and from a trace to 3 ounces of gold to the ton. In the lead mines that have been opened to depths of more than 100 feet, copper is present in the lower levels.

Veins related to dikes.—The veins of this type differ little from the copper-bearing variety of fissure veins. Most of them follow fissures in and parallel to dikes, and locally the ore minerals are disseminated through fractured and altered dike rock, so that the whole dike is more or less mineralized. The principal minerals are chalcopyrite, molybdenite, and specularite in quartz gangue. These veins have been only partially developed or explored.

Oxidation and enrichment.—Oxidation extends to depths of 150 to 250 feet below the surface in most of the lodes, although the ground-water level is at shallower depths in most of the mines. Chrysocolla, malachite, azurite, copper pitch,[2] cuprite, and native copper constitute much of the valuable content of the oxidized ore.

Mines and prospects.—The mines and prospects of the Contact district are in four areas: Ellen D. Mountain, China Mountain,

[2]A mixture of several hydrous oxides (of copper, iron, and manganese), often with silicates and carbonates, in a more or less colloidal state. The mixture chiefly embraces the minerals tenorite, chrysocolla, limonite, malachite and managanese oxide (English, 1939).

Blanchard Mountain, and Middle Stack Mountain and Trout Creek areas.

The Ellen D. Mountain or western area comprises the western portion of the granodiorite batholith and the part of the contact zone lying west of Salmon Falls Creek. The principal feature of the geology is the curved contact zone with its scarp of Paleozoic rocks overlooking the garnodiorite. Along the north side of the area the Paleozoic rocks are tilted and irregularly disturbed, and on the west they are steeply upturned or on edge; but in the higher part of Ellen D. Mountain they lie for the most part nearly horizontal or dip gently northwest.

The area contains deposits of all three classes of ore mentioned above, and has yielded most of the district's production. The deposits occur mainly in the contact zone and associated with dikes principally in granodiorite. The more important properties in this area are the Nevada-Bellevue, Palo Alto, and Blue Bird. Of these the Nevada-Bellevue has had the largest production. The properties are on a group of east-west veins near the old town of Contact, which is near the head of Town Gulch west of Salmon Falls Creek and adjacent to and including the granodiorite-Paleozoic rocks contact (pl. 5).

The mineralized zone along the contact extends east from the Brooklyn ground (pl. 6) to the Allen No. 2 claim, where shallow workings expose it for a width of 120 feet. This zone consists of alternating bands of altered and mineralized granitic rock and thin layers of limestone, capped with gossan.

Nevada-Bellevue Group.—The Nevada-Bellevue Copper Mining Co. property comprises 10 claims (pl. 6) that contain several small mines and prospects, as well as the principal mine of the area, the Nevada-Bellevue (Delano and Copper King groups of claims). This mine is about 1,500 feet northeast of the old town of Contact. The Bellevue mine is about 3,000 feet west of the Nevada-Bellevue. The claims were discovered and located in the late 1880's, but no production was recorded until 1913.

Four or more veins have yielded most of the ore mined from the Nevada-Bellevue group. These veins trend east, parallel to the general trend of the granodiorite contact, but at least one of them cuts across part of the contact that trends southeast. The veins range in thickness from 1 to 10 feet and have an average dip of about 50° SE. The longest one, known as "main vein," has been traced on the surface for nearly 10,000 feet. Much of the oxidized ore contains about 4 percent of copper.

The Nevada-Bellevue mine developed the "main vein" (pl. 6),

with principal workings (pl. 7) in 1928 on the zero, 50-foot, 104-foot, 200-foot, and 300-foot levels. The zero level connects directly with the surface, and the other levels are reached by winzes. This part of the mine develops the vein to a depth of more than 400 feet vertically below the outcrop and an average distance of about 500 feet along the strike. On the 250-foot level a drift extends 700 feet eastward on the vein to connect with the Ilo tunnel at a point 1,360 feet from its portal. The Ilo tunnel was driven about 1926 for development and drainage.

The Bellevue mine, also on the "main vein," was developed in 1928 by a 200-foot shaft, a 120-foot crosscut tunnel, and 1,000 feet of drifts, mainly on the 100-foot and 200-foot levels.

The vein is glassy quartz, sporadically mineralized by replacement of the quartz with siliceous reddish-brown hematite intimately associated with chalcocite, chalcopyrite, chrysocolla, and copper oxides; the carbonates azurite and malachite are also present.

Palo Alto mine.—The Palo Alto claim joins the Bellevue and Delano group on the east at an altitude of 5,900 feet on the slope of the basin rim. Since its discovery in 1894, the mine is credited with the production of about 1,700 tons of ore. Most of the 300 tons produced prior to 1910 is said to have averaged about 30 percent of copper, some gold, and 8 ounces of silver to the ton; 200 tons produced in 1914 and 1,200 tons produced in 1928 ran 5 percent of copper and 3 ounces of silver to the ton.

The mine is developed by a 292-foot shaft, a 150-foot crosscut tunnel, 300 feet of drift, and 100 feet or more of crosscuts and stopes distributed on four levels.

The mine is in the contact zone, a few hundred feet from the main granodiorite body. The country rock is chiefly dark, coarse slate and some associated pinkish quartzite of Paleozoic age, that dips about 75° toward the granodiorite-sedimentary rock contact. They are intruded by radial dikes, tongues, or sheets of granodiorite that are offshoots from the main body and thin out as they extend from the main contact.

The ore bodies are in a small fissure vein in one of the granodiorite tongues. A shaft is sunk on the vein, which dips steeply to the south, about parallel with the sedimentary rock-granodiorite tongue contact. In depth the granodiorite and the fissure thin out; the vein ends in impervious slate, and the lower 200 feet of the shaft and other workings are in barren slate. This vein is thought to be the same vein on which the Blue Bird and other openings on the Delano group are located.

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Blue Bird mine.—The Blue Bird mine is two-thirds of a mile northwest of Contact and about a quarter of a mile northeast of the Palo Alto mine. It is on the outer slope of the contact-zone ridge, at an altitude of about 5,800 feet. The property consists of a group of 10 claims.

The deposit was discovered in 1884 and was developed mainly by a southwesterly 70° incline with chambers and crosscuts. The total production was not learned; since 1910, 1,000 tons, said to have averaged 6 percent of copper and 3 ounces of silver to the ton, had been shipped, mainly in 1928.

The mine is in white limestone with intercalated quartzite and slate about 1,000 feet north of the granodiorite contact. The lode appears to be the eastward extension of the "main vein" on the Nevada-Bellevue group (pl. 6), with local enlargement by replacement of limestone. It strikes northeast, dips about 60° SE., and is intersected by a fault of northerly trend.

The main ore body in general has a width of 3 feet but in places is much wider. The ore, which is said to average more than 3 percent of copper, contains malachite, chrysocolla, red, brown, and black copper oxides, and some chalcocite. Replacement deposits of oxidized ore occur in and along the cross fault and in the limestone north of the mine.

Other mines of Ellen D. Mountain area.—Records indicate that the following mines have produced some ore during the period 1913–1946: Copper King, Copper Shield, Silver Circle (Queen of the Hills), Mammoth, and Bonanza (see pl. 5).

China Mountain area.—China Mountain is about 5 miles south-southeast of Contact. The China Mountain district is about 5 miles long and 4 miles wide, and lies on the east side of Salmon Falls Creek. The earliest substantial work in the area was done by a group of Chinese in 1876. The property was abandoned in midwinter of that year and lay idle until minor prospecting was resumed late in the 1880's.

The northern part of the area is underlain by granodiorite and the southern part by Paleozoic sedimentary rocks, separated by a well-defined east-west contact. The sedimentary beds, though variously deformed, in general dip southward, or away from the contact, along which the upturned edges form a hogback adjacent to the lower-lying granodiorite area within the basin.

The deposits are similar to most of those in the Ellen D. Mountain area. They occur mostly in association with the granodiorite-Paleozoic rock contact zone, in places having a width of nearly

2,000 feet. Some of the veins are in the granodiorite. The principal mines are the Chinaman, War Eagle, Hanks, Turo-Sheckles, and High Ore. The High Ore mine had small production in 1915, and the Hanks mine had small production in 1916 and 1917.

The War Eagle Mine, in 1895–1896, produced eight carloads of copper ore that averaged about 24 percent of copper, 14 ounces of silver to the ton, and about 7 percent of silica; one of these carloads is said to have averaged 0.33 percent of copper.

Blanchard Mountain area.—The Blanchard Mountain area adjoins the China Mountain area on the east. It is about 4 miles in diameter and centers at Blanchard Mountain, which rises to an altitude of about 8,800 feet.

The country rock is intrusive granodiorite on the northwest and Paleozoic sedimentary rocks on the southwest. The general course of the contact is northeastward and it is concave to the northwest. In the Blanchard Mountain portion of the area the formations and the deposits are traversed by dikes of syenite porphyry. There is no record of production for the mines of this area.

Middle Stack Mountain and Trout Creek area.—The Middle Stack Mountain and Trout Creek area lies in the northeastern part of the Contact district, on the north contact zone. It begins at Middle Stack Mountain, 6 miles northeast of Contact, and extends eastward across Trout Creek for a distance of about 6 miles.

The country rock consists of intrusive granodiorite and of Paleozoic rocks, principally limestone and slate, generally dipping northward away from the contact. Both the granodiorite and the sedimentary rocks are intruded by dikes. The granodiorite in places shows pronounced sheeting.

The mineralized zone has a maximum width of about half a mile. The deposits, except those to the west of Trout Creek, are similar to those in the contact zone described in the preceding sections except that they are more generally associated with dikes. Metamorphic minerals, particularly massive garnet, chlor-opal, and axinite, are characteristically present in the gangue.

Considerable work has only been done in the Boston mine since 1910. The deposit is in contact-metamorphosed limestone, essentially parallel to the bedding. It is 4 to 20 feet thick and has been opened to a depth of 190 feet by a tunnel, shaft, winze, and drifts. The principal ore minerals besides copper carbonates were bornite and chalcopyrite. In the few years preceding 1926, several small shipments of good-grade copper ore are said to have been made.

In 1928–1930 consider
in the mine, with enc
gyrite ore running abo
at a depth of 90 feet in

Sources of information

Emmons, W. H., 19
in Elko, Lander, and E
Bull. 408, p. 62–65.

Lincoln, F. C., 1923,
Nevada: Nevada News

Location

The mines of the
T. 42 N., R. 51 E., abo

History and production

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Geology and ore deposits (c

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Blanchard Mountain area
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preceding 1926, several small
are said to have been made.

In 1928–1930 considerable additional development work was done in the mine, with encouraging results. A 6-inch shoot of cerargyrite ore running about 300 ounces in silver to the ton was found at a depth of 90 feet in the shaft.

CORNUCOPIA DISTRICT

Silver, gold

Sources of information

Emmons, W. H., 1910, A reconnaissance of some mining camps in Elko, Lander, and Eureka Counties, Nevada: U. S. Geol. Survey Bull. 408, p. 62–65.

Lincoln, F. C., 1923, Mining districts and mineral resources of Nevada: Nevada Newsletter Pub. Co., Reno, p. 41–42.

Location

The mines of the Cornucopia district are located in sec. 18, T. 42 N., R. 51 E., about 20 miles north of Tuscarora.

History and production

The district was discovered in July 1873 and had an active productive life of about eight years. Cornucopia attained a population of 1,000 in 1874 but soon declined. The district is credited with an early production of $1,162,352 in silver and a little gold with the last production in 1882. From 1937 to 1940 treatment of 10,000 tons of old mine tailings yielded 89,649 ounces of silver and 1,320 ounces of gold, making the total amount of recorded production for the district $1,273,650.

Geology and ore deposits (data from Emmons, 1910)

The country rock of the district is rhyolite intruded by andesite. The latter is a dark porphyry, with a glassy groundmass and many phenocrysts of basic andesine and pyroxene, and also containing large chloritic patches that seem to have resulted from the decomposition of hornblende. In the vicinity of the ore deposits the andesite is chiefly a decomposed sericitic rock, white or stained with yellowish-brown iron oxide. Masses of quartz porphyry occur in the area of the andesite and are probably intruded into it.

The ore deposits are in sheeted zones in decomposed andesite. The gangue is white quartz that carries a very small proportion of dark sulfides, forming narrow ribbons in the quartz. Pyrite, argentite, and tetrahedrite are present; ruby silver is said to have been an important ore mineral. Near the surface the ore minerals were mainly cerargyrite and a yellow mineral that was probably pyromorphite. The proportion of the sulfides present

Item 3(f)

Telephone 363-3302

Hand Sample Serial 26004-26011

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine L. B. Goldsmith
512 Snyder Avenue
Yerington, Nevada 89447

RESULTS PER TON OF 2000 POUNDS

August 13, 1968

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent
										Mn	
Lode 188	Trace	None		0.258						None	
189	Trace	0.1		0.018						None	
190	NOne	None		0.138						None	
191	Trace	None		0.050						None	
192	Trace	None		0.466						None	
193	None	0.2		0.088						None	
194	Trace	None		0.346						None	
195	Trace	None		3.906						None	

Remarks

Charges $ 70.00 Paid

G. P. Williams

ITEM 3(f)

Telephone 363-3302

Hand Sample Serial 26333-26345

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine L. B. Goldsmith, Pan-Nevada, Inc.
512 Snyder Avenue
Yerington, Nevada 89447

RESULTS PER TON OF 2000 POUNDS

August 15, 1968

	NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent Mn	Per Cent Mo
Olinda	196	Trace	None		0.006						None	None
	197	Trace	6.2		0.025						None	None
	198	Traced	0.1		0.365						None	None
	199	Trace	0.3		0.510						None	None
Lucic	200	Trace	0.4		0.963						None	
	201	Trace	0.1		0.390						None	
	202	None	None		0.018						None	
Hettrick	203	Trace	1.6								None	None
	204	None	None								None	None
	205	None	None								None	None
Silver & Emma	206	None	None									
	207	None	None									
	208	None	None									

Remarks

Charges $ 126.25

Glen P. Williams

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/11/70	Peterson	120
		120
		220

AIRMAIL

MAY 11 1970

Mr. L. B. Goldsmith
Suite 2, 830 Ryland St.
Reno, Nevada 89502

Re: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

Dear Mr. Goldsmith:

This will acknowledge your letter of May 6, to Mr. Harold K. Stager advising us of your decision to withdraw the subject application. Accordingly, we are considering the application as having been withdrawn and are placing it in our inactive files.

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

Sincerely yours,

Harold Kirkemo (gfa)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to:

Pan-Nevada Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Peterson

ECPeterson/bsl 5/11/70

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

May 8, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 11 1970
INITIALS | COPIES
gla | 30
Ad | 20
HK | 20
SG | 40

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

Enclosed is a letter from the Applicant, dated May 6, 1970, withdrawing the application.

Mr. Goldsmith informed me, via telephone, that their drilling on the property to test the most favorable geophysical anomalies had yielded unfavorable results and that they were dropping their lease on the claims.

Will you please acknowledge the withdrawal by a letter to the Applicant.

H. K. Stager

Enclosure

PAN-NEVADA INC.
Suite 500 • 37 Lewis Street
Hartford, Connecticut 06103

Please refer reply to:
Suite 2, 830 Ryland St.
Reno, Nevada 89502

May 6, 1970

Mr. Harold K. Stager
USGS, Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California

Subject: OME-6804

Dear Mr. Stager:

Pan-Nevada wishes to withdraw its application for exploration assistance on the Lucie Claims.

Yours truly,

L. B. Goldsmith

cc: JWB

RECEIVED
MAY - 8 1970
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

United States Department of the Interior

GEOLOGICAL SURVEY
Office of Minerals Exploration
345 Middlefield Road
Menlo Park, California 94025

RECEIVED
APR 17 1970

April 15, 1970

Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

While in the vicinity of the subject property, on other OME and USGS business, a field examination was made on April 9, 1970, by the Field Officer accompanied by Mr. L. B. Goldsmith, geologist for the Applicant.

At the time of the examination the Applicant had a drill rig on the property to test three or four of the most favorable geophysical anomalies by vertical diamond drill core holes. The first hole, near the northeast corner of the Lucie No. 5 Claim, was bottomed at a depth of 217 feet during the examination. The cores were examined and indicated that the induced polarization anomaly is probably caused by clay along numerous high-angle fractures in the granodiorite. There is no mineralization of any kind apparent in the granodiorite. There are only sparse exposures of copper-bearing minerals in thin quartz veins in the claim area.

Mr. Goldsmith will keep me informed of the results of the drilling, that is expected to be completed within about two weeks, and if the other holes are similar to Hole No. 1, the Applicant will withdraw the application. I told Mr. Goldsmith that I would withhold my application report on the property until the planned drilling is completed to allow them an opportunity to revise or withdraw the application inasmuch as I could not recommend Government participation in an exploration project based on the present showings.

H. K. Stager

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/25/70	Peterson	120
		120
3/25	Cac	220
		120M

MAR 25 1970

Memorandum

To: Field Officer, Region II

From: Chief, Office of Minerals Exploration

Subject: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

In response to the Applicant's request of March 23, we are resuming the processing of the subject application for exploration assistance, and are referring it to you for further study, a field examination if warranted when you are in the vicinity of the property on other field work of the program, and recommendations.

We have no further questions on the geology or other preliminary considerations of the proposal. The items mentioned in your transmittal memorandum must necessarily be resolved if a contract is contemplated.

Harold Kirkemo (gla)

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Peterson

ECPeterson/gla 3-25-70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/25/70	Peterson	120
		120
		220
		120M

MAR 25 1970

Pan-Nevada Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

Re: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucia Claims
Elko County, Nevada

Gentlemen:

In reference to Mr. L. B. Goldsmith's telephone conversation with Mrs. Grace L. Ault of this office on March 23, 1970, we shall be pleased to keep your application for exploration assistance in an active status.

Accordingly, the application is now being referred to Mr. Harold K. Stager, Field Officer, Region II, Office of Minerals Exploration, U. S. Geological Survey Building 2, 345 Middlefield Road, Menlo Park, California 94025.

Mr. Stager will notify you if he requires additional information concerning the application. The processing of the application will follow the action outlined in our letter to you dated December 19, 1969.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to:
Mr. L. B. Goldsmith
Pan-Nevada Inc.
Suite 2, 830 Ryland Street
Reno, Nevada 89502

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II
Mr. Peterson

ECPeterson/gla 3-25-70

March 23, 1970
4:40 p.m.

Kirk HK.
Ed Peterson

For the docket:

In response to letter to the Hartford, Connecticut office of Pan-Nevada Inc., on March 17, 1970, Mr. L. B. Goldsmith, Suite 2, 830 Ryland St., Reno, Nevada 89502, phoned from Reno that they wish to keep their application in active status.

His long distance phone call was because of the Postal strike, and he assumed a letter from Reno would not be delivered to us. He has not received any mail from the East Coast since the strike has b een in effect.

I assured him that his message would be noted and would serve in lieu of a letter at this time.

Grace L. Ault
Grace L. Ault

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/16/70	Peterson	120
		120
3/17	cac	220
		120M

AIRMAIL

Pan-Nevada Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

Re: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

Gentlemen:

On December 19, 1969, we wrote you outlining the current situation regarding the processing of pending applications for OME financial assistance. Will you please inform us of your plans regarding your application. If you have decided not to pursue it further, will you please so inform us.

If we do not receive a reply from you within 30 days from the date of this letter, we will assume that you are no longer interested in your application and we shall consider it as having been withdrawn.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc; Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region II
Mr. Peterson

ECPeterson/bsl 3/16/70

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/19/69	Peterson	120
		120
12/19	Cole	220
		120M

DEC 19 1969

AIRMAIL

Pan-Nevada Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

Re: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

Gentlemen:

This is in further response to your application for financial assistance to explore the Lucie claims.

Applications received since July 1, 1969, have not been processed because of budgetary constraints on the OME program. With funds now available we will be able to execute only a few new contracts in the fiscal year ending June 30, 1970. These contracts are being prepared on applications received and approved in previous fiscal years but which could not be executed earlier because of lack of funds. The extent of future contracting will depend on availability of funds.

Owing to curtailment of the program, the processing of applications is being delayed. Therefore, field examinations necessary to reach decisions on applications are being made largely in connection with other field work of the program. In due course of time we will inform you whether or not your application can be approved for a contract when funds are available. Priority on available funds will be given to approved applications offering the best opportunities for making significant discoveries.

Under these circumstances, should you wish to withdraw your application, please so advise. If you wish to keep your application in active status, we will process it as explained above.

We regret that this action is necessary, but under present funding circumstances we cannot offer better service at this time.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Director's Reading File
Mineral Resources File
ME Docket
ME Reading File
ME Region II
. Peterson

rson/bsl 12/19/69

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/18/69	Peterson	120
	Emerick	120
9/18	CC	220
		120M

SEP 18 1969

AIRMAIL

Pan-Nevada Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

Re: OME-6804 (Copper-Silver-Molybdenum)
Pan-Nevada Inc.
Lucie Claims
Elko County, Nevada

Gentlemen:

Reference is made to your application for exploration assistance dated July 30, 1969.

We have postponed processing applications received recently pending information regarding availability of funds for the fiscal year beginning July 1, 1969. Although appropriations have not yet been made for the current year, we understand that funds will be much less than were available for the year that ended June 30, and we are authorized to operate only at the level of the anticipated reduced funds. Under this situation, action on pending applications must be postponed, as proposed contracts already drafted and awaiting execution will require more funds than are available. When we can again process new applications, first priority will be given to those offering the best opportunities for making significant discoveries.

We regret that we cannot make a decision on your application at present and we are unable to estimate when we may be of possible assistance to you. When circumstances permit, we will process your application within the limitations stated above.

Sincerely yours,

Wilbur L. Emerick (gfa)

W. L. Emerick
For: Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Region II
Mr. Peterson

Peterson/bsl 9/18/69

September 5, 1969

Pan-Nevada Inc.
Suite 500
37 Lewis Street
Hartford, Connecticut 06103

Subject: OME-6804

Gentlemen:

Your application for exploration assistance, dated July 30, 1969, submitted to our office at Menlo Park, California, has been assigned Docket No. OME-6804.

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

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-II