UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

~~Terminated~~ Withdrawn (~~or cancelled~~) without certification. DMEA No. 287

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

Termination Notice or Agreement.

✓ Recision Notice.

Assignment of Contract.

Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

✓ Subordination Agreement.

Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

Operator's monthly reports and all attachments (latest on top).

Right Side

Project summary.

Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

CW

Reviewer's Initials

7973

RESCISSION OF EXPLORATION PROJECT CONTRACT BY MUTUAL
AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 30th day of June 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Togo-Turk Mines, a partnership, composed of Joseph W. Geisbauer and James W. Lower, Fruitland, Washington, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm E 304, Docket No. DMEA-287X, dated April 25, 1952, that said contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said contract had never been entered into.

Witness the following signatures as of the day and year first above written.

UNITED STATES OF AMERICA

A. E. Weissenborn

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

Togo-Turk Mines
(Operator)

Joseph W. Geisbauer

By (Partner)

(Partner)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 14 1952

18262-3

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

DOCKET NO. DMEA 287X

COMMODITY Copper
Idm-E304

RECEIVED
APR 28 1952
U. S. G. S.
SPOKANE, WASH.

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

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 25th day of April, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Togo-Turk Mines, a partnership, composed of Joseph W. Geisbauer and James W. Lower, Fruitland, Washington

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Washington, County of Stevens, described as follows:[3] The Turk property in Sec. 6, T. 29 N., R. 38 E., and Sec. 31 T. 30 N. R. 38 E., comprising the following unpatented lode claims: Lucky Boy, and Lucky Boy No. 1, No. 2, and No. 3

the Operator represents and undertakes:[4]

(*a*) [redacted]

None

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

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

ARTICLE 3. *Exploration project.*—The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] copper

in or upon the described land; and shall bring the project to completion within a period of thirteen (13) mos. from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $25,000.00, which is 50 percent of $50,000.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitteudorf
Acting Administrator, Defense Minerals Exploration Administration

Togo-Turk Mines
(Operator)

By _____ (Partner)

By _____ (Partner)

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

_____

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

TURK MINE
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA 287-X

EXHIBIT "A"

Statement of the Work and Estimate of Costs 1/

Stage I

Time Schedule: 0 - 6 months

1.	Rehabilitate 600 feet of partially caved drift exposing vein on upper level, at $7.00 per foot	$ 4,200.00
2.	Rehabilitate 1,000 feet of drift on main level, at $3.50 per foot	3,500.00
3.	Short crosscutting a total of 100 feet to expose full thickness of ore on upper level, at $19.50 per foot	1,950.00
4.	Short crosscutting a total of 100 feet to expose full thickness of ore on main level, at $19.50 per foot	1,950.00
5.	Crosscutting and drifting a total of 150 feet to discover fault-offset ends of the ore shoot on the main level, at $33.50 per foot	5,025.00
6.	Unwatering winze, reblocking winze timbering, and sampling lower level	243.00
7.	Bulldozer trenching a total of 112 hours on the surface outcrops and other mineralized exposures, by contract at $12.50 per hour	1,400.00
8.	Surveying, geological mapping, sampling and assaying	900.00
9.	Accounting, 6 months at $100.00 per month	600.00
10.	Rental equipment	2,358.00
11.	Equipment depreciation	404.00
12.	Equipment purchase	1,470.00
	Total estimated cost, Stage I	$24,000.00

1/ Except to the extent set forth in the estimate of costs, the Schedules called for under Article 6 of the contract form are waived. The Government will contribute to the actual costs, including independent contracts, falling within the eight categories of costs set forth in Article 6(a) of the contract form, subject to the allowable maximums specified in the contract form.

Operating Equipment:

To be purchased

Stage I

Air receiver, 50 cu. ft. -	$ 366.00	
Electric grinder	94.00	
2 mine cars, 20 cu. ft.	500.00	
Chain saw, 30"	450.00	
Freight and trucking	60.00	$ 1,470.00

Stage II

None

To be rented

Stage I

Air compressor, portable, 370 cfm., 6 months at $393.00 per month	$2,358.00	$ 2,358.00

Stage II

Air compressor, portable, 370 cfm., 7 months at $393.00 per month	$2,751.00	$ 2,751.00

To be furnished by operator

Stage I

2 Drifters, complete, GD-7. Replacement value $1,600.00. 6 months at $26.67	$ 160.02	
Jackhammer, J-55. Replacement value $365.00 6 months at $6.08	36.48	
Air hoist (tugger). Replacement value $475.00. 6 months at $7.92	47.52	
Pump, Cameron Duplex, air driven. Replacement value $305.00, 6 months at $5.08	30.48	
Arc welder, 300 amp. Replacement value $300.00, 6 months at $5.00	30.00	
Truck, Ford 1-ton with winch. Replacement value $500.00, 6 months at $8.33	49.98	
Light plant. Replacement value $500.00, 6 months at $8.33	49.98	$ 404.46

Note:
The monthly depreciation allowance for each item of equipment furnished by the operator is chargeable only for the months in which the item is used for the benefit of the project.

The various parts of Stage II will be undertaken following the completion of Stage I to the satisfaction and approval of the Government, this approval to be dependent upon the results of Stage I.

Stage II

Time Schedule: 6 - 13 months

1.	Crosscutting and drifting a total of 150 feet on the upper level to follow any fault-offset ore blocks discovered in Stage I, part 5, at $28.00 per foot	$ 4,200.00
2.	Drifting a total of 200 feet on the main level to follow any ore extensions discovered in Stage I, part 5, at $28.00 per foot	5,600.00
3.	Drifting a total of 300 feet on vein from bottom of winze, if sampling of Stage I, part 6, is favorable, at $38.92 per foot	11,676.00
4.	Surveying, geological mapping, sampling and assaying	600.00
5.	Accounting, 7 months at $100.00	700.00
6.	Rental equipment	2,752.00
7.	Equipment depreciation	472.00
	Total estimated cost, Stage II	$26,000.00
	Total Estimated Cost of Project (Stages I & II)	$50,000.00

Details of Some Cost Estimates

Fixtures and Improvements:

No fixtures or improvements of existing facilities are authorized under this contract.

Operating Equipment:

To be furnished by operator

Stage II

2 Drifters, complete. GD-7. Replacement value $1,600.00. 7 months at $26.67	$186.69	
Jackhammer, J-55. Replacement value $365.00. 7 months at $6.08	42.56	
Air hoist (tugger). Replacement value $475.00. 7 months at $7.92	55.44	
Pump, Cameron Duplex, air driven. Replacement value $305.00. 7 months at $5.08	35.56	
Arc welder, 300 amp. Replacement value $300.00. 7 months at $5.00	35.00	
Truck, Ford 1-ton with winch. Replacement value $500.00, 7 months at $8.33	58.31	
Light plant. Replacement value $500.00. 7 months at $8.33	58.31	$ 471.87

Labor and Supervision:

The number of men and class of labor as follows:

1 miner-leadman
3 miners
2 laborers
1 superintendent

Labor may be paid at shift or unit contract rates but shall not exceed the amount paid for like work throughout the district.

The superintendent shall be employed at $400.00 per month.

No charge for personal transportation shall be made against this contract.

Rehabilitation and Repairs:

Rehabilitate 600 feet on upper level, at $7.00 per foot	$4,200.00	
Rehabilitate 1,000 feet on main level, at $3.50 per foot	3,500.00	$7,700.00

RECEIVED
MAY 26 1952
U.S.
COLVILLE, WASH.

MEMORANDUM

WHEREAS, Harry Allen, as Trustee, made a certain agreement of lease, dated September 13th, 1949, wherein he, as lessor, leased to Joseph Geisbauer and James W. Lower, lessees, certain real estate and property situated in Stevens County, State of Washington, to-wit:

The Lucky Boy, Lucky Boy No. 1 and Lucky Boy No 2, and Lucky Boy No. 3 unpatented mineral lode claims situated in the district generally known as the Turk mining district said claims being located in Section 6, township 29 north, range 38 E.W.M.,

Also Lot No. 4 of section 31, township 30 north, range 38 E.W.M.

Also all machinery, equioment, buildings, and ore dumps on the foregoing properties, and

also by a lease dated May 17th, 1951, said lessor leased to said lessees certain property situated in Stevens County, Washington, described as follows:

The southeast quarter (SE¼) of the southwest quarter (SW¼) of section 31, township 30 north, range 38 E.W.M., and

WHEREAS, the lessor designated in said lease agreements is designated as"Harry Allen, Trustee" and it is desired that same be clarified,

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Stevens, State of Washington, described in a certain Exploration Project Contract dated _____, 195__, between Sage-Turk Lines, a partnership, composed of Joseph W. Geisbauer and James V. Lesur, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated September 13, 1949, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 17th day of December, 195 1

C. F. ALLEN ESTATE

By Harry Allen Trustee

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-260
(June 1951)

Docket No. DMA 287
Commodity Cu

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Joseph W. Geisbauer and James W. Lower, Fruitland, Washington, a partnership hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Washington, County of Stevens described as follows: [3] the Turk property in sec. 6, T. 29 N., R. 38 E., and sec. 31, T. 30 N., R. 38 E. - Lucky Boy, Lucky Boy Nos. 1, 2, and 3, all unpatented claims. The Togo group in sec. 6, T. 29N., R. 38 E., and sec. 31, T. 30 N., R. 38 E. - Evergreen, Evergreen No. 2, Hill Top, Brother, Tamarack, Copper Queen, and Hector, all unpatented claims, and the SE 1/4 (patented) sec. 6, T. 29 N., R. 38 E.
with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the owner in possession and entitled to possession, and the subordination agreement of the following described property of which the subordination agreement of the lessor is attached.~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 24 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

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

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $21,150.00, which is 50 percent of the agreed estimated total cost of this project, $42,300.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Togo-Turk Mines
Stevens County, Washington

Exploration Project Contract

EXHIBIT "A"

Exploration project

The purpose of the exploration project shall be to delineate and sample the portion of the Turk ore body now partially explored, to search for possible extensions of the Turk and Togo veins, and to explore two other favorable outcrops.

Stage I

Time Schedule

It is estimated that the work comprising Stage I of the project shall be completed four months from the date of commencement, based upon a two shift per day, five day per week working schedule, with the work progressing simultaneously on as many as possible of the different parts of the program. In view of possible adverse weather conditions and shortage of labor, one year will be the maximum time needed for the completion of Stage I.

Outline of Work

1. Rehabilitate the main level of the Turk mine from the portal through the Turk ore body, a distance of 800 feet, retimbering a distance of 160 feet, relaying the mine rail, adding 300 feet of mine rail and air line, and clearing out broken rock.

EXHIBIT "A" (Continued)

2. Drive short crosscuts at intervals from the main level to expose the full width of the ore body for mapping and sampling; total distance not to exceed 100 feet.

3. Drive an additional 80 feet of crosscuts from the main level to explore beyond fault displacements for possible extensions of the Turk ore body.

4. Diamond drill a total of 1,500 feet from the main level and surface to intercept the Turk ore body at 4 places 100 feet apart, at a depth of 200 feet down dip from the main level.

5. The upper level of the Turk mine shall be rehabilitated and track and air line installed for a distance of 500 feet. A number of short crosscuts, total distance not to exceed 100 feet, shall then be driven at intervals to ascertain the full width of the ore body.

6. Explore favorable outcrops in the vicinity of the Turk and the Togo mines by bulldozer trenching, and do additional trenching beyond the Turk and Togo outcrops in search of continuations of these ore bodies. Maximum tractor working time shall be 28 days.

7. Survey and map all workings, both surface and underground. Map geology and do necessary sampling and assaying.

Stage II

Time Schedule

It is estimated that the work comprising Stage II, contingent upon the successful completion of Stage I, shall be completed in four

EXHIBIT "A" (Continued)

months from the date of commencement, based upon a two-shift per day, five day per week schedule, with the different phases of the program being carried on as nearly simultaneously as possible.

If the program is hindered by bad weather or labor shortage, the operator shall not be held to the time schedule, but in any event Stages I and II shall be completed within two years from the date of the contract.

Outline of Work

1. Contingent upon the success of part 5 of Stage I and subject to the approval of the examining engineer, an additional amount of drifting, not to exceed 100 feet, shall be done on the upper tunnel level of the Turk mine.

2. If favorable showings are encountered in part 3 of Stage I, 200 feet of drift will be driven on the vein on the main level of the Turk Mine.

3. Contingent upon the success of part 6 of Stage I, an additional amount of bulldozer trenching shall be done. Maximum additional bulldozer working time, with the approval of the examining engineer, is not to exceed 25 days.

4. Contingent upon the success of the bulldozer trenching of part 6 of Stage I in tracing the Togo vein, and subject to the approval of the examining engineer, a maximum of 1,000 feet of diamond drilling shall be done from the main level of the Togo mine, the drill holes to be located on the basis of results of the surface trenching.

EXHIBIT "A" (Continued)

Estimated Cost of the Project

Stage I

1.	Rehabilitation of 800 feet of drift on main level of Turk mine at $1.30/ft.	$ 1,040.00
2.	100 feet of short crosscuts on main level of Turk mine at $20.00/ft.	2,000.00
3.	80 feet of crosscutting on main level of Turk mine at $25.00/ft.	2,000.00
4.	1,500 feet of diamond drilling from surface and main level of Turk mine by contract at $7.00/ft.	10,500.00
5a.	Rehabilitation of 500 feet of drift on upper Turk tunnel level at $4.00/ft.	2,000.00
5b.	100 feet of short crosscuts on upper level of Turk mine at $20/ft.	2,000.00
6.	224 hours of bulldozer trenching by contract at $12.50/hr.	2,800.00
7.	Engineering and geologic consultation.	1,000.00
8.	New equipment to be purchased.	460.00
	Total cost of Stage I	$23,800.00

Stage II

1.	100 feet of drifting on upper level of Turk mine at $30.00/ft.	$ 3,000.00
2.	200 feet of drifting on main level of Turk mine at $30.00/ft.	6,000.00
3.	200 hours of bulldozer trenching by contract at $12.50/hr.	2,500.00
4.	1,000 feet of diamond drilling by contract from the main level of the Togo mine at $7.00/ft.	7,000.00
	Maximum total of Stage II	$18,500.00

EXHIBIT "A" (Continued)

Summary

Total Stage I	$23,800.00
Total Stage II	18,500.00
Grand Total	$42,300.00

The above per foot costs of crosscutting and drifting include the cost of labor, supervision, sampling, assaying, track, pipe, and all operating supplies.

Togo-Turk Mines
Stevens County, Washington

Exploration Project Contract

EXHIBIT "B"

Fixtures and improvements

Any additional facilities or buildings to be purchased, installed, or erected by the operator shall not be charged as a cost of the project.

Togo-Turk Mines
Stevens County, Washington

Exploration Project Contract

EXHIBIT "C"

Operating equipment

To be rented:	Maximum monthly rental
1 - Air Compressor, portable, 370 cfm	$ 393.00
1 - Chain Saw (30 inch)	165.00
Total	$ 558.00

To be purchased:	Purchase Price
1 - Air Receiver, 50 cu. ft.	$ 366.00
1 - Electric Grinder, 8 inch.	94.00
Total	$ 460.00

To be furnished:	Estimated replacement cost	Maximum monthly rental	
2 - Drifters, complete. GD-7	$ 1,600.00	$ 26.66	26.66
1 - Jackhammer, J-55	365.00	6.10	6.08
1 - Air Hoist. (tugger)	475.00	7.88	7.92
1 - Pump, Cameron duplex, air driven.	305.00	5.06	5.09
1 - Arc Welder, 300 amp.	300.00	4.90	5.00
1 - Truck, Ford 1-ton with winch.	500.00	8.30	8.33
1 - Light Plant.	500.00	8.30	8.33
Total		$ 67.20	67.40

Togo-Turk Mines
Stevens County, Washington

Exploration Project Contract

EXHIBIT "D"

Labor and Supervision

Classification	Rate per shift
Miner, lead man	$ 14.00
Miner	13.00
Sampler	12.00
Engineer and Geologist (with assistant) (part time, not to exceed 20 days)	$ 50.00 per day
Supervisor	$400.00 per month

Togo-Turk Mines
Stevens County, Washington

Exploration Project Contract

EXHIBIT "E"

Rehabilitation and Repairs

1 - 800 ft. of drift, main level of Turk mine.	$ 1,040.00
2 - 500 ft. of drift, upper level of Turk mine.	2,000.00
Total rehabilitation work	$ 3,040.00

MF-200
(June 1951)

Docket No. DMA 287
Commodity Copper

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Togo-Turk Mines, a partnership, composed of Joseph W. Geisbauer and James W. Lower, Fruitland, Washington

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Washington, County of Stevens described as follows: [3] the Togo and Turk mines are near the crest of the Huckleberry Mountains in the Springdale (Turk) Mining District, approximately 9 and 8 miles respectively east of Fruitland, Washington. The Togo mine property consists of the following: patented land - S½ SE¼ section 31, T. 30 N., R. 38 E., W.M., and SE¼ of section 6, T. 29 N., R. 38 E., W.M.; and the unpatented mining

1/4

with respect to which the Operator represents and undertakes: [4] (See attached sheet for balance of description)

(a) ~~That he is the sole owner in possession and entitled to possession, and the property is subject only to the following claims, liens, or encumbrances, each of which the subordination agreement of the holder is attached:~~ Subordination Agreement Attached

(b) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Fifteen (15) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of proper*[illegible] All facilities, buildings, fixtures, equipment[illegible] other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

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

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $19,833.13, which is 50 percent of the agreed estimated total cost of this project, $39,666.26.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Togo-Turk Mines
(Operator)

By Acting Director, Production Expansion Division, Defense Minerals Administration

By Joseph W. Geisbauer

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

By James W. Lower

DMA-287

ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
S. 157 Howard Street
Spokane 8, Washington

December 29, 1950

Dr. James Boyd,
Deputy Administrator,
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Dr. Boyd:

I am enclosing herewith application forms in quadruplet submitted by Messrs. J. W. Geisbauer and J. W. Lower with respect to the Togo-Turk copper property in Stevens County, Washington. The application seems to be in fairly good form and the information given is unusually complete compared with the other applications we have received. We have no personal knowledge as yet of this property; if the facts stated in the application can be confirmed by field examination the property would seem worthy of serious consideration for a loan. We will, however, not undertake any work until so instructed by the Operating Committee.

Sincerely yours,

A E Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

NSRB Form 146 (orig. & 3).
Mining & Geol. Report by Eby.
Map of plan & elevation Togo Mine (2 photostatic copies)
Map of Turk mine (2 prints)
Letter & attachment, dated 4/21/49, (Quotation 3) to Lower from Tacoma Smelter.
Letter dated 10/25/49 to Lower from Tacoma Smelter.
Letter dated 12/7/49 to Lower from Tacoma Smelter.

BUREAU OF MINES
WASHINGTON, D. C.
JAN 4 8 07 AM '51

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMA-207
Metal or Mineral
Date Received
Amount $
Participation (Government %)

Joseph W. Geisbauer
and
James W. Lower
Fruitland, Washington

Name and address of applicant

Date September 6, 1951

If you have already filed MF-100, give date filed NSRB 146 12/28/50, type of assistance requested Exploration,

DMA Docket Number (if available)

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

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

---------- By ----------
(Name of company) (Signature of authorized official)

---------- ----------
(Date) (Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

1. a. Togo and Turk groups of mining claims in the Deer Trail Mining District, Stevens County, Washington.

   b. Lessee

   c. State of Washington, County of Stevens described as follows: the Turk property in sec. 6, T. 29 N., R. 38 E., and sec. 31, T. 30 N., R. 38 E. - Lucky Boy, Lucky Boy Nos. 1, 2, and 3, all unpatented claims. The Togo group in sec. 6, T. 29N., R. 38 E., and sec. 31, T. 30 N., R. 38 E. - Evergreen, Evergreen No. 2, Hill Top, Brother, Tamarack, Copper Queen, and Hector, all unpatented claims, and the SE 1/4 (patented) sec. 6, T. 29 N., R. 38 E.

2. a. Copper

   b. See Field Team Report
   Stage I

3. a. ✓1. Rehabilitate the main level of the Turk mine from the portal through the Turk ore body, a distance of 800 feet, retimbering a distance of 160 feet, relaying the mine rail, adding 300 feet of mine rail and air line, and clearing out broken rock.

   2. Drive short crosscuts at intervals from the main level to expose the full width of the ore body for mapping and sampling; total distance not to exceed 100 feet.

   ✓3. Drive an additional 80 feet of crosscuts from the main level to explore beyond fault displacements for possible extensions of the Turk ore body.

   ✓4. Diamond drill a total of 1,500 feet from the main level and surface to intercept the Turk ore body at 4 places 100 feet apart, at a depth of 200 feet down dip from the main level.

   ✓5. The upper level of the Turk mine shall be rehabilitated and track and air line installed for a distance of 500 feet. A number of short crosscuts, total distance not to exceed 100 feet, shall then be driven at intervals to ascertain the full width of the ore body.

   ✓6. Explore favorable outcrops in the vicinity of the Turk and the Togo mines by bulldozer trenching, and do additional trenching beyond the Turk and Togo outcrops in search of continuations of these ore bodies. Maximum tractor working time shall be 28 days.

   ✓7. Survey and map all workings, both surface and underground. Map geology and do necessary sampling and assaying.

Stage II

3. a. ✓1. Contingent upon the success of part 5 of Stage I and subject to the approval of the examining engineer, an additional amount of drifting, not to exceed 100 feet, shall be done on the upper tunnel level of the Turk mine.

✓2. If favorable showings are encountered in part 3 of Stage I, 200 feet of drift will be driven on the vein on the main level of the Turk Mine.

✓3. Contingent upon the success of part 6 of State I, an additional amount of bulldozer trenching shall be done. Maximum additional bulldozer working time, with the approval of the examining engineer, is not to exceed 25 days.

4. Contingent upon the success of the bulldozer trenching of part 6 of Stage I in tracing the Togo vein, and subject to the approval of the examining engineer, a maximum of 1,000 feet of diamond drilling shall be done from the main level of the Togo mine, the drill holes to be located on the basis of results of the surface trenching. ?

Stage I

b. It is estimated that the work comprising Stage I of the project shall be completed four months from the date of commencement, based upon a two shift per day, five day per week working schedule, with the work progressing simultaneously on as many as possible of the different parts of the program. In view of possible adverse weather conditions and shortage of labor, one year will be the maximum time needed for the completion of Stage I.

Stage II

It is estimated that the work comprising Stage II, contingent upon the successful completion of Stage I, shall be completed in four months from the date of commencement, based upon a two-shift per day, five day per week schedule, with the different phases of the program being carried on as nearly simultaneously as possible.

If the program is hindered by bad weather or labor shortage, the operator shall not be held to the time schedule, but in any event Stages I and II shall be completed within two years from the date of the contract.

4. See attached map.

5.

1 - 800 ft. of drift, main level of Turk Mine		$ 1040.00
2 - 500 ft. of drift, upper level of Turk Mine		2000.00
	Total	$ 3040.00

6. Not applicable.

7. Operating equipment

a. To be rented

1 - air compressor, portable 370 cfm	$393.00
1 - chain saw (30 inch)	165.00
Maximum monthly rental	$558.00

b. To be purchased

1 - air receiver, 50 cu. ft.	$366.00
1 - electric grinder, 8 inch	94.00
	$460.00

c. To be furnished

	Est. replacement cost	Maximum monthly rental
2-drifters, complete GD-7	$1,600.00	$26.66
1-Jackhammer, J-55	365.00	6.10
1-air hoist (tugger)	475.00	7.88
1-pump, Cameron duplex, air driven	305.00	5.06
1-arc welder, 300 amp.	300.00	4.90
1-truck, Ford, 1-ton with winch	500.00	8.30
1-light plant	500.00	8.30
		$67.20

8. Labor

Miner, lead man	Rate per shift	$14.00
Miner		13.00
Sampler		12.00

Supervision

Engineer and Geologist (with assistant (part time, not to exceed 20 days) per day	$ 50.00
Supervisor per month	400.00

9. Estimated cost of the project

Stage I

1. Rehabilitation of 800 feet of drift on main level of Turk mine at $1.30/ft.	$1,040.00
2. 100 feet of short crosscuts on main level of Turk mine at $20.00/ft.	2,000.00
3. 80 feet of crosscutting on main level of Turk mine at $25.00/ft.	2,000.00
4. 1,500 feet of diamond drilling from surface and main level of Turk mine by contract at $7.00/ft.	10,500.00

9. (Continued)

5a. Rehabilitation of 500 feet of drift on upper Turk tunnel level at $4.00/ft.	$2,000.00
5b. 100 feet of short crosscuts on upper level of Turk mine at $20/ft.	2,000.00
6. 224 hours of bulldozer trenching by contract at $12.50/hr.	2,800.00
7. Engineering and geologic consultation.	1,000.00
8. New equipment to be purchased.	460.00
Total cost of Stage I	$23,800.00

Stage II

1. 100 feet of drifting on upper level of Turk mine at $30.00/ft.	$ 3,000.00
2. 200 feet of drifting on main level of Turk mine at $30.00/ft.	6,000.00
3. 200 hours of bulldozer trenching by contract at $12.50/hr.	2,500.00
4. 1,000 feet of diamond drilling by contract from the main level of the Togo mine at $7.00/ft.	7,000.00
Maximum total of Stage II	$18,500.00

Summary

Total Stage I	$23,800.00
Total Stage II	18,500.00
Grand Total	$42,300.00

The above per foot costs of crosscutting and drifting include the cost of labor, supervision, sampling, assaying, track, pipe, and all operating supplies.

10. a. $21,150

b. Yes.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMA 287

Date received M S - 6679

TOGO-TURK MINES
LOWER - - GEISBAUER
Fruitland, Wash.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5 - 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date 28 May 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) ~~Necessity Certificate (Section 124 of the Internal Revenue Code, 1950, as amended)~~ priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products? Copper - Silver Nickel
   (*b*) What are the byproducts, if any? Barite -
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point. 7 Miles Fruitland - 30 Miles to RR
   (*b*) Mining district. Deer Trail
   (*c*) Township, Section, Range. Sec 31 - 6 - T30N R38E
   (*d*) County, State. Stevens - Washington
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - [x] Owner.
   - [x] Lessee.
   - [ ] Contractor.
5. Number of years in production .....
   If not in production or operation, estimated date when production will begin .....
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Have	been	installing	Mill	
2. Quantity of product processed (specify unit of measure and type of process)	Since	1948	with	limited	
3. Quantity and grade of product sold or shipped (specify units of measure)	Capital		Had	To go	Slow

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(b) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(c) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.
2 Partners Have been Working on Mill Since 1948

17. Equipment and Facilities: No Payroll.

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

TOGO-TURK MINES
~~LOWER~~ GEISBAUER
(Name of company)
Fruitland, Wash.

By Joseph W Geisbauer
(Signature of authorized official)

28 May 1951
(Date)

Co-Partner
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington

May 31, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are four copies of Form MF-100, submitted by Togo-Turk mines in accordance with the provisions of Mineral Order 7 as amended. Also attached are two copies of Form MF-105, an application for access road. Two copies are being retained here in accordance with Procedural Instructions 8.

The access road application will be acted upon in connection with the application for a production loan, which is now pending. The report on this property is now in preparation.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: M. E. Volin

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5 - 1951
LANDON F. STROBEL
Executive Secretary

257X

Copy

Togo

CONTRACT OF SALE

IT IS AGREED between WASHINGTON VERDE COPPER COMPANY, a Washington Corporation, and/or VAL W. BRASCH and MRS. LILLIAN H. WEST, as trustees of the Washington Verde Copper Company, hereinafter termed Vendors, and JOSEPH W. GEISBAUER and JAMES W. LOWER, hereinafter termed Purchasers, that in consideration of the stipulations herein contained and the payments to be made as hereinafter specified, Vendors hereby agree to sell to Purchasers, and Purchasers hereby agree to buy from Vendors the following described patented land:

> South ½ of the S.E. ¼ Section 31 Township 30 North Range 38 E.W.M., S.E. ¼ of Section 6, Township 29 North Range 38 E.W.M., all in Stevens County, Washington.

And the following described unpatented mining claims:

> EVERGREEN, recorded in Book 13, page 354 of Quartz Locations, in the Office of the County Auditor of Stevens County, Colville, Washington.
>
> EVERGREEN NO. 2, recorded in Book 13, Page 354 of Quartz Locations, in the Office of the County Auditor of Stevens County, Colville, Washington.
>
> HILL TOP, recorded in Book 13, Page 391 of Quartz Locations, in the Office of the County Auditor of Stevens County, Colville, Washington.
>
> BROTHER LODE, recorded in Book 13, Page 359 of Quartz Locations in the Office of the County Auditor of Stevens County, Colville, Washington.
>
> TAMARACK, recorded in Book 13, Page 390 of Quartz Locations in the Office of the County Auditor of Stevens County, Colville, Washington.
>
> COPPER QUEEN, recorded in Book 13, Page 357 of Quartz Locations, in the office of the County Auditor of Stevens County, Colville, Washington.
>
> HECTOR, recorded in Book 13, Page 356 of Quartz Locations, in the Office of the County Auditor of Stevens County, Colville, Washington.

The purchase price for the aforesaid patented land and unpatented mining claims is the sum of $50,000.00, of which purchasers have this day paid the sum of $1.00, receipt of which is hereby

acknowledged, and Purchasers agree to pay the remainder of the said purchase price, or the sum of $49,999.00 in full on or before October 30, 1953, said deferred principal amount to bear no interest until due, and thereafter interest at the highest rate permitted by law. Purchasers agree to make payments upon the said principal amount from time to time between the date of this contract and October 30, 1953 in the manner and at the rates hereinafter set forth.

Vendors agree that Purchasers shall have the immediate right to enter upon said land and mining claims and to continue in possession thereof together with the right of enjoyment of water, timber and other rights incident to said land and mining claims so long as Purchasers strictly comply with all the terms anc conditions of this contract.

Purchasers agree that they will immediately enter upon said patented land and unpatented mining claims and will forthwith commence prpspecting and development work upon said land and mining claims for the purpose of determining the presence of commercial ore upon or under the ground thereof, and the extraction, milling and sale of such commercial ore as may be present thereof, and Purchasers agree to continue prospecting and development work upon said patented land and upatented mining claims continuously without interruption during the term of this contract of sale, that is from date of signing this contract, or from October 31, 1948 to October 31, 1953, without interruptions except as prohibited by adverse weather conditions or other acts of God, and except as prohibited by such adverse weather conditions or other acts of God will employ on a full time basis in said prospecting and development work at all times at least two men, and Purchasers further agree to employ during the term of this contract for consultation the services of a geologist and mining engineer of recognized

ability, and Purchasers further agree that the prospecting and development work required to be done by them under the terms of this contract shall be done in a manner consistent with good and recognized mining practices.

Purchasers agree that they will from time to time pay over to Vendors, as part payments upon the purchase price hereinabove set forth, ten per cent of the net smelter returns derived from any or all minerals or ore extracted from the said patented land and unpatented mining claims, and Purchasers further agree that all minerals or ore extracted from the above described property will be shipped only to such smelter or smelters as the parties hereto shall hereafter mutually designate, and Purchasers further agree that prior to the shipment of any such minerals or ore to any smelter or smelters, Purchasers will execute an assignment to Vendors directed to such smelter or smelters of ten per cent of the net smelter returns, such assignment will be so framed that such smelter or smelters will directly account to or pay over to Vendors ten per cent of the net proceeds derived from the sale of all ores or minerals extracted from the aforesaid patented land and unpatented mining claims, Any and all amounts received by Vendors during the term of this contract by way of the aforesaid percentage share of the proceeds of the sale of ores or minerals shall be credited on the aforesaid unpaid principal amount of $49,999.00. Purchasers agree that the aforesaid deferred principal amount of $49,999.00 shall in any event be paid in full on or before October 31, 1953, in default of which this contract shall be at an end, and all payments thereunder shall be forfeited to Vendors as liquidated damage. Purchasers agree to maintain all facilities now in existence upon said property in good condition and to repair and replace any such facilities or portions thereof which may be damaged or destroyed during the occupancy of Purchasers, and in the event

Vendors become entitled to reenter upon possession of said property for any reason, Purchasers agree to surrender same to Vendors with all facilities in as good condition as they now are, reasonable wear and tear excepted. Purchasers further agree that during the term of this contract they will only cut and use such timber upon the above described land as is reasonably necessary for the prosecution of the prospecting and development work done by them upon the land, and will in no event cut any timber for use elsewhere, nor will they remove any timber from said land, nor will they sell any timber from said land.

Purchasers agree that Vendors shall have access at all times during the term of this contract, personally or through their agents, to all mine workings and the right of reasonable inxpection from time to time of the books of account of the Purchasers, to the end that Vendors shall at all times have the opportunity to determine for themselves that Purchasers are complying with the various terms and conditions of this contract.

It shall be a condition precedent to this contract that Purchasers shall furnish to Vendors a good and sufficient surety bond, conditioned upon the payment by the Purchasers of all labor liens, material leins and upon the payment of all industrial insurance premiums due the State of Washington, any liability arising under the Industrial Insurance Act of the State of Washington, and further indemnifying Vendors for any and all liabilities Vendors may sustain as the result of the occupancy of the above described patented land and unpatented mining claims by Purchasers.

Should Purchase rs at any time violate any of the terms and conditions of this contract, fail in the performance of this contract or any part thereof, or should Purchasers default in any of the payments to be made under the terms of this contract, Vendors shall have the immediate right at their option to declare a forfeiture of this contract and to immediately reenter and take pos-

session of the property covered hereunder, and in the event vendors should so elect to declare a forfeiture, this contract shall be at an end and all payments theretofore made upon the purchase price shall be retained by Vendors as liquidated damages.

Vendors agree to forthwith place in escrow with the Security Branch of the Spokane and Eastern Division of Seattle First National Bank in Spokane, Washington a Warranty Deed to all of the described patented land and unpatented mining claims, conveying title to said property free and clear of all encumbrances to date of this contract, and all payments required to be made hereunder, excepting the aforesaid initial payment of $1.00, shall be payable to the aforesaid escrow holder as escrow agent for Vendors, and Purchasers agree that they will from time to time pay the entire escrow charges of the aforesaid escrow holder as such charges become due.

It is agreed that time is of the essence of this contract.

IN WITNESS WHEREOF the parties have caused this agreement to be executed this 31 day of October, 1948.

WASHINGTON VERDE COPPER COMPANY, a corporation

By Val. W. Brasch

x (Mrs.) Lillian West
As Trustees of Washington Verde Copper Company

Joseph Geisbauer

James W. Lowe
Purchasers

Witness:

_____

_____

Turk

[illegible]

[illegible], made and entered into this [illegible] day of [illegible] October, 19[illegible], by and between Harry [illegible] Allen, as trustee, of the State of Washington, party of the first part, and [illegible] Reisbeck, and [illegible] Lovor, parties of the second part

[illegible], this in consideration of the sum of one (1) dollar, and the mutual agreements herein set forth, said first party [illegible], said first party does hereby lease, let and demise unto the second parties for the term of five (5) years from the date hereof, and thereafter so long as ores are produced from the mine on a commercial basis by the second parties, the following described mining properties situated and being in Stevens County, State of Washington, to-wit:

The Lucky Boy, Lucky Boy No. 1, Lucky Boy No. 2 and Lucky Boy No. 3, unpatented mineral lode claims, situated in the district generally known as the Turk Mining District, said claims being located in Section 8, township 39 North, range [illegible] . . . Also Lot No. 4 of section 31, township 40 North, range [illegible] . . . Also all machinery, equipment, buildings, and ore dumps on the foregoing properties

which said premises and property are leased to the second parties for the purpose of exploring for and taking out and removing therefrom the ores therein contained containing lead, silver, gold, lead, copper and other valuable minerals which are or may hereafter be found in, on or under said leases and claims, together with the right to construct such buildings, make improvements and mining installations, which are or may be necessary or suitable for the operations of second parties thereon, with the right, during the existence of this agreement, to cut and use the timber found on said premises and property for fuel, and so far as may be necessary, for the construction of structures required on the property as may be necessary or required in the operation of the mine or mines on the premises hereby leased, and for no other purposes.

The said second parties shall have the right to contract with others to work said mine or mines or any part thereof, or to subcontract the same, and to employ such help as they may require, all with the understanding that first party does not require the construction of any buildings, plants, mills or equipment, and first party does specifically not require the second parties to do any work on said properties; the second parties shall not permit any liens for materials or labor, or otherwise to be justly filed against said property, properties, or equipment.

It is understood and agreed that the second parties will personally perform sufficient work on said properties to comply with the laws relating to assessment work, and to provide the necessary affidavit showing such performance, and file same.

Should any work be done by second parties, or their employees and agents, the same shall be done in accordance with good mining practice, and in conformance with the laws of the State of Washington.

If at any time the said second parties shall for a period of six months, or [illegible], fail to carry on any operations on the said properties, in good faith manner, it shall be deemed that they have given up this lease, and that they have abandoned the property or properties, and the lease shall then be considered as terminated; in such event the first party shall give the second parties a written notice requiring them to resume operations; and in the event of their failure so to do, then in an interval of thirty days (30) from the service of such notice, the said

parties in the meantime not having resumed such operations, the lease shall be ended, without further notice. Such notice may be sent by registered U.S. Mail, or personally served. The second parties shall be excused from such requirements in the event of acts of God, strikes, or unavoidable casualty, which must be called to the attention of first party by a written statement for and extension of such time, and in such event the first party shall give the same favorable consideration.

The said second parties agree that there shall be paid to first party as rental, or royalty, for the said premises and property four (4) per cent of the net smelter returns from the ores shipped from the dump on said property, and eight (8) per cent of the net smelter returns from all of the ores mined by second parties from said properties and shipped. The royalties shall be paid by the smelter direct to first party, and remitted to him; the ores as shipped shall be specifically designated as to whether shipped from the dump, or the mines. A copy of this agreement shall be filed with the smelter when shipments are commenced as authority for payments as aforesaid.

The machinery and equipment herein leased to second parties is largely old, and much of same obsolete; the second parties are not required to use same, but same shall be taken care of so that same is not removed, or lost, from the property, and where used, the same shall be kept in ordinary condition, allowing for ordinary use, and depreciation.

Upon the expiration of the term of this lease, or any extension of same, or upon the abandonment of said properties, the said second parties agree to vacate said property and surrender same to the first party, leaving same in good condition and repair, allowing for ordinary mining use, depletion, and depreciation.

It is understood and agreed that the second parties shall during the time that this lease is in operation, and in effect, have the right to purchase the said properties herein described for a total purchase price of one hundred twenty five thousand dollars (125,000.00), and in the event of purchase the said second parties shall be credited upon such purchase price the amount of any and all royalties paid to first party under the terms hereof. The balance then to be paid shall be payable in cash, or upon such terms as first party may provide. In the event of such sale and purchase the first party agrees to provide a good and marketable title for said properties, an abstract of title showing same, and to give the necessary deeds and conveyances to complete the deal. The rights to purchase shall terminate in the event of cancellation of the lease under the provisions herein.

The agreements herein extend to and bind the heirs, executors, administrators, and assigns of the parties hereto and take effect upon their execution.

IN WITNESS WHEREOF we have hereto set our hands and seals this 15th day of September, 1949.

Harry Allen (Seal)

Joseph Geisbauer (Seal)

James W. Lower (Seal)

State of Washington)
) ss.
County of Stevens.)

This is to certify that on this 15th day of September, 1949, before me personally appeared the within named Mary Allen, as Trustee, and Joseph Geisbauer, and James A. Lower, to me known to be the persons described in and who executed the within instrument, and acknowledged to me that they signed and sealed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN Under my hand and official seal the day and year last in this certificate above written.

Albert Hauser

Notary Public for the State of Washington, residing at the Club, Washington

Continuation of property description-

claims, Evergreen, Evergreen No. 2, Hill Top, Brother Lode, Tamarack, Copper Queen and Hector, recorded in Book 13 of Quartz Locations, pages 354, 354, 391, 359, 390, 357 and 356 respectively, in the office of County Auditor of Stevens County, Colville, Washington. The Turk property is comprised of the following unpatented mining claims: Lucky Boy and Lucky Boy Nos. 1, 2, and 3, situated in section 6, T. 29 N., R. 38 E., W.M.; and patented Lot No. 4 of section 31, T. 30 N., R. 38 E., W.M.

The Togo-Turk Mines
Exploration Project Contract
The Togo and Turk Mines

Exhibit "A"

Exploration Project Time Schedule-Month	Stage I*
0-2	1. Rehabilitate the No. 3 or lowest adit level of the Turk Mine from the portal through the Turk ore body, a distance of 800 feet (see attached map). The work will include cleaning out fallen rock, timbering where needed, and repairing and adding to the mine track and air line but is not to include rehabilitation in excess of that only necessary to initiate and complete the proposed exploration in a safe and workmanlike manner.
	2. Drive two crosscuts, not to aggregate more than 80 feet, from the No. 3 adit level to explore beyond fault displacements for possible extensions of the Turk ore body at both its north and south ends as shown on the attached map.
	3. Trench, by contract bulldozing, beyond the Turk and Togo outcrops in search of continuations of these ore bodies. In addition, trench certain favorable outcrops in the vicinity of the Turk and Togo mines in the search for ore. The number, location, size and attitude of the trenches is to be mutually agreeable to the Operator and the Government (Field Team) but the maximum tractor working time is not to exceed 28 days of 8 hours each.
	4. Rehabilitate the No. 2 adit level for ventilation, mapping and sampling. The work will include cleaning out fallen rock, timbering where needed, and repairing of the mine track and pipe line, including the installation of 500 feet of track and pipe line. No rehabilitation is to be done in excess of that needed to complete, in a safe and workmanlike manner, the mapping, sampling, etc; and possibly some exploration work on the continuation of the vein.
	5. Survey and geologically map both the surface and the underground workings and sample where warranted.
3-8	6. Diamond drill by contract not more than four holes, aggregating a maximum of 1,500 feet, from the No. 3 adit level and from the surface in approximately the locations shown on the attached map. The

exact location, length and attitude of the diamond drill holes will be determined by the Operator upon the basis of the results of the geological mapping, subject to approval by the Government.

Stage II*

The work of Stage II, or any step thereof, is to be undertaken only after completion of Stage I, or any part thereof, to the satisfaction of and approval by the Government.

1. Drive a maximum of 200 feet of drift on the No. 3 adit level to explore any favorable showings exposed by the crosscutting of step 2, Stage I, on the faulted segments of the Turk vein.

2. Depending upon the results of Stage I, drive a maximum of 100 feet of drift on the continuation of the Turk vein on the No. 2 adit level.

3. In the vicinity of the Turk mine, trench by contract bulldozing an additional number of trenches the work of which is not to exceed 25 eight hour working days. The exact number, location, size and attitude of the trenches will be determined by the Operator upon the basis of results of Stage I, subject to approval by the Government.

9-10 4. Drill by contract at the Togo mine, a limited number of diamond drill holes not aggregating more than 1,000 feet. The number, exact position length and attitude of the holes will be determined by the Operator upon the basis of the results of the trenching of Stage I, subject to approval by the Government.

* As indicated in section 4 of the contract, all subcontracts are subject to approval by the Government in writing.

The proposed work and the estimated cost thereof is as follows:

Stage I

1. Rehabilitate the No. 3 adit, 800' @ $0.95 per foot for labor and supervision $ 763.41

2. Drive 80 feet of crosscut @ $17.62 per foot for labor and supervision ($1,409.36). Additional costs, including sampling, assaying, rentals and purchases of equipment, and all pipe, rail, operating supplies, etc., amount to $3,177.91. The crosscuts are not to exceed 5' x 7' feet in the clear. $ 4,587.27

3. Surface trenching by contract bulldozing, 224 hours @ a maximum of $12.50 per hour while actually employed. The hourly price is for all costs including transportation, wages of an operator, fuel, lubricants, repairs, etc. $ 2,800.00

4. Rehabilitate the No. 2 adit level, 500 feet @ $3.05 per foot for labor and supervision. $ 1,526.80

5. Surveying and mapping, including helper's wages ($107.04) consultant fees ($500.00), and assays and printing maps ($80.76) $ 687.80

6. Diamond drilling, 1,500 feet @ $4.00 per foot for all drilling costs including labor, fuel, lubricants, bits, repairs, transportation, cementing, casing, etc., for holes drilled on the surface. The mine compressor will furnish air for the one underground hole. In addition to the above cost there are the following: preparation of drill sites by bulldozing ($200.00), equipment rental for 2 months ($1,116.00) depreciation of applicants equipment ($125.00 maximum), compressor fuel ($275.00), sludge tanks, etc., ($82.03), assays ($30.00) and supervision ($2,114.32) $ 9,942.35

Total $20,307.63

Stage II

1. Drive 200 feet of drift on the No. 3 adit level @ $18.50 a foot for labor and supervision. Additional costs, including rentals of equipment, supplies, assays, pipe and rail, amount to $3,117.95. The drift is not to exceed 5' x 7' in the clear $ 6,817.53

2. Drive 100 feet of drift on the No. 2 adit level @ $18.50 a foot for labor and supervision. Additional costs, including rentals of equipment, supplies, assays, pipe and rail, amount to $1,558.98. The drift is not to exceed 5' x7' in the clear $ 3,408.76

3. Surface trenching by contract bulldozing, 200 hours @ $12.50 per hour while actually employed. The hourly rate includes all costs as transportation, wages of an operator, fuel, lubricants, repairs, etc. $ 2,500.00

4. Diamond drilling, 1,000 feet @ $4.00 per foot for all drilling costs including labor, fuel, lubricants, bits, repairs, transportation, cementing, casing, etc., for holes drilled on the surface. The mine compressor will furnish air for the underground holes. In addition to the above cost there are the following: compressor fuel and oil for underground holes ($290.00), sludge tanks, scale, record books ($18.87), assays ($30.00) equipment rental and depreciation ($1,166.00), pipe ($281.74) and supervision and sampling ($845.73) $ 6,632.34

Total $19,358.63

Summary of Estimated Costs

Stage I

1.	Cost is segregated in the items below	----------
2.	Cost is segregated in the items below	----------
3.	Surface trenching	$ 2,800.00
4.	Cost is segregated in the items below	----------
5.	Cost is segregated in the items below	----------
6.	Diamond drilling and preparation of drill sites (Balance of cost is segregated in the items below)	$ 6,200.00

Stage II

1.	Cost is segregated in the items below	----------
2.	Cost is segregated in the items below	----------
3.	Surface trenching	$ 2,500.00
4.	Diamond drilling (balance of cost is segregated in the items below)	$ 4,000.00

Fixtures and Improvements	$ 2,070.84
Operating Equipment	
Equipment to be rented	$ 5,022.00
Equipment to be purchased	$ 94.00

Allowance for Operator's equipment (5 months plus $175.00)	$ 512.00
Supplies to be purchased	$ 3,551.40
Labor and Supervision	$ 12,816.02
Rehabilitation and Repairs	$ 100.00
Total	$ 39,666.26
Government participation one half of above or	$ 19,833.13

Fixtures and Improvements

To be purchased

Stage I

2,000'--Mine rail, 12# used, 4.00 tons @ $110.00/ton including track spikes, fish plates, bolts	$ 440.00
1,100'--2" used pipe for air line @ $0.25 per foot	$ 275.00
700'--1" used pipe for water line @ $0.12½ per foot	$ 87.50
1'--Air receiver, 50 cu. ft.	$ 366.00
Used air and water valves and fittings	$ 50.00
Sub-total	$ 1,218.50

Stage II

600'--Mine rail, 12# with freight	$ 235.60
Spikes, fish plates, bolts, etc.	$ 40.00
300'-2" pipe for air line (with freight), drifting	$ 120.00
300'--1" pipe for water line, drifting	$ 50.00
300'--2" pipe for air line (with freight), for diamond drilling if needed	$ 110.56
300'--1" pipe for water line, for diamond drilling if needed	$ 46.18
Air and water valves and fittings, for drifting	$ 125.00
Air and water valves and fittings, for diamond drilling if needed	$ 125.00
Sub-total	$ 852.34
Total	$ 2,070.84

Operating Equipment

Equipment to be rented

Stage I

1--Portable air compressor, 370 cfm, @ $393.00 per month, 4 months	$ 1,572.00
1--Chain saw (30 inch) @ $165.00 per month, 4 months	$ 660.00
Sub-total	$ 2,232.00

Stage II

1--Portable air compressor, 370 cfm, @ $393.00 per month, 5 months	$ 1,965.00
1--Chain saw (30 inch) @ $165.00 per month, 5 months	$ 825.00
Sub-total	$ 2,790.00
Total	$ 5,022.00

Equipment to be purchased

Stage I

1--Electric grinder, 8 inch	$ 94.00
Sub-total	$ 94.00

Stage II

No equipment is to be purchased

Equipment to be furnished by the Operator on a depreciation basis

	Value	Monthly Allowance
2--GD-7 drifters complete with accessories	$1,600.00	$26.66 - 133.30
1--J55 jackhammer	365.00	6.08 30.40
1--Tugger air hoist	475.00	7.92 39.60
1--Pump, Cameron duplex, air driven	305.00	5.08 25.40
1--Arc welder, 300 amp.	300.00	5.00 25.00
1--Truck, Ford 1-ton with winch	500.00	8.33 41.65
1--Light plant	500.00	8.33 41.65
		$ 67.40 337.00

337.00

337.00

1,175.00

Supplies to be purchased

Stage I

Compressor fuel and oil for crosscutting	$ 75.00
Powder, fuse and caps (old material)	375.00
Small tools	100.00
Bits and drill steel (Old material)	39.62
Assays and printing maps	80.75
Compressor fuel and oil for diamond drilling	275.00
Sludge tanks, scale, record books, etc.	82.03
Assays of drill cores	30.00
Sub-total	$1,057.40

Stage II

Compressor fuel and lubricants for drifting	$ 275.00
Powder, caps and fuse	1,400.00
Bits and drill steel	375.00
Small tools	105.13
Compressor fuel and lubricants for diamond drilling underground, approximately 500'	290.00
Sludge tanks, scale, record books, etc.	18.87
Assays of drill cores	30.00
Sub-total	$2,494.00
Total	$3,551.40

Labor and Supervision

1. The maximum following labor will be employed at the rates shown:

Labor

Stage I

5--Timbermen-miners-muckers @ $13.00 per shift, 2 months (5 day week) or 42 days rehabilitation of adits and 80' of crosscutting	$2,730.00
Industrial Accident Insurance	273.00
Social Security	40.95
Sub-total	$3,043.95

Stage II

5--Miners-muckers @ $13.00 per shift, 3 months (5 day week) or 63 days for drifting 300 feet	$4,095.00
Industrial Accident Insurance	409.50
Social Security	61.43
Sub-total	$4,565.93
Total	$7,609.88

2. The following supervision will be employed at the rates shown:

Supervision

Stage I (Rehabilitation and crosscutting)

1--Engineering and geological consultant, 10 days @ $50.00 per day*	$ 500.00
1--Survey helper, 8 days @ $12.00 per day	96.00
1--Working foreman-supervisor @ $14.00 per shift, 2 months (5 day week) or 42 days rehabilitation of adits, 80 feet of crosscutting and sampling.	588.00
Social Security	10.26
Industrial Accident Insurance	68.40
Sub-total	$1,262.66

Stage I (Diamond Drilling)

1--Working foreman-supervisor @ $15.17 per shift with Saturday overtime, included, 5 months or 125 days	$1,896.25
Industrial Accident Insurance	189.63
Social Security	28.44
Sub-total	$2,114.32

Stage II (Underground drifting)

1--Working foreman-supervisor @ $14.00 per shift, 3 months (5 day week) or 63 days for drifting 300 feet	$ 882.00
Industrial Accident Insurance	88.20
Social Security	13.23
Sub-total	$ 983.43

Stage II (Diamond Drilling)

1--Working foreman-supervisor @ $15.17 per shift, with Saturday overtime included, 2 months (6 day week) or 50 days	$ 758.50
Industrial Accident Insurance	75.85
Social Security	11.38
Sub-total	$ 845.73
Total	$5,206.14

* The consulting engineer and geologist is to survey and map the surface and the mine after the rehabilitation of the adits is completed, supervise

the sampling, and make whatever calculations of ore reserves that are necessary.

1. The working foreman will direct the operation and take what samples are necessary.

2. Supervision costs are not to be allowed where over-lapping of work phases occurs. Thus, only one supervision shift can be charged daily to the project during the life of the project.

Rehabilitation and Repairs

Mine cars repaired		$ 100.00
	Sub-total	$ 100.00

No additional buildings, installations, fixtures, equipment or improvements to be purchased, rented, repaired or rehabilitated, except as listed above, are to be allowed as costs under this contract. In case a dual operation, i.e. development, preparation for mining and/or mining in conjunction with the exploration, is carried on during or after the rehabilitation of the adits, all costs, including labor, supervision, equipment, supplies, rentals etc., are to be pro-rated equitably between the exploration and the additional phases of the operation.

DMR-287

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

FORM APPROVED
BUDGET BUREAU NO. 25-R002

AMOUNT OF LOAN REQUESTED

TERMS OF LOAN REQUESTED

DATE OF APPLICATION

NAME AND ADDRESS OF APPLICANT (Street, City, Zone, State)

[illegible]

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

To facilitate the purchase of additional equipment for the production of copper concentrates.
This loan will step our production by five times the present amount.

NATURE OF EXPENDITURE	AMOUNT
Zero mine	$4,100.00
Turk mine	9,950.00
General	13,550.00
Mill	18,550.00
Total amount applied for	$46,150.00

[illegible]

[illegible]:

[illegible]:

Motor	$ 100	
Pipe	300	
Bolts, [illegible]	300	
Sump [illegible]	300	
Labor	2000	
Powder and [illegible] etc.	325	
Rebuild ore bins	600	
Total:	$4100.	$4,100.00

[illegible]:

[illegible]:

Timber	$1000	
Untreated [illegible] etc.	1000	
Unwatered wires	1000	
Air line for wires	1100	
Air compressor	1000	
Machine shop	300	
Labor	2100	
Total:	$7000.	$7,000.00

[illegible]:

Insurance	$1500	
Mine cart	2100	
Stoper	250	
Jack hammer	150	
Air & water hose & [illegible]	78-100.	
Blacker, carbide	1000	
OHC ore truck	2100	
Machine [illegible]	2200	
Blade for [illegible]	750	
Ore transportation for 30 days	1000	
Assay equipment & [illegible]	2000	
Total:	$13,800.	$13,800.00

[illegible]:

Purchase and installation of power plant	$10,000	
Imperial Filter for concrete tos	2,000	
Lumber for completion of mill & shop bldg	1,000	
Building supplies other than lumber	600	
Shop tools & supplies	750	
Labor for construction & installation (30 days)	1,500	
Dis mor flotation cells	2,000	
Total:	$18,850.	$18,850.00

TOTAL: $44,150.00

2. **PROPOSED METHOD FOR REPAYMENT OF LOAN**

State sources of funds, and proposed schedule of repayment

Source of funds for repayment is from sale of copper concentrates To Tacoma Smelter.

Repayment would be 5% of net smelter returns until paid in full

3. **NATURE OF BUSINESS AND DESCRIPTION OF PROJECT**

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

Mining and concentrating of copper ore from Tego and Turk mines and concentrating of Turk dumps

Mine maps and flowsheet of mill attached.
All our known ore has been sampled and tested fro milling by J. Fred Williams Metalurgist, W S C Pullman, Washington. The ore is not complex. We make a 92% recovery on a 6100 mesh grind. We have 10,000 tons of reserve copper ore that could be milled immediately from the Turk dumps.

4. **Relationship to National Defense.** Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Copper is on the list of Strategic and Critical minerals

(b) What evidence exists as to future shortages of the materials or services to be produced?

(c) Are such shortages, if any, regional or national in scope?

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

NOT APPLICABLE

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

NOT APPLICABLE

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

NO

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Copper Concentrates	Ton	1 ton of concentrates assay 25%		5 tons of Concen/ assaying 25%

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

2 Partners

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

(2) Multiple shift operation (specify how many shifts).

(c) Estimated additional employees required by the use of the funds applied for.

7 additional employes

7. Timing

(a) On what date(s) are the requested funds needed?

Immediately

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

Work will be started immediately on receipt of funds
Production can start 60 days after beginning of work

8. Output from the use of funds applied for will be for the following purposes:

a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount *(Dollars)* (f)
	Not Applicable				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to *(Give name and address of firm)* (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount *(Dollars)* (g)
	NOT APPLICABLE			(e) (f)	
				(e) (f)	
				(e) (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

FOR [illegible] TO THE [illegible] OF [illegible]

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

We have ample man power in this community with experience who, have other sources of income(farming) and will work at reasonable rates. The mines have ample water for all purposes. Timber is plentiful. Roads are fair. Housing is no problem

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

The machinery we look for full production can be purchased, used but in good condition.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
	[illegible]			

11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

[illegible]

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.— Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

Tried Spokane and Eastern bank at Colville Washington. Can obtain small personal loan but can not obtain mining assistance from bank.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

Each partner got $100 vetern allownace for a limited time

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.**

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

A.

J. W. Lewis has had 17 years in all phases of mining and milling management, practical and theoretical. Attended 3 years at Montana School of Mines at Butte.

J. W. Colsbauer is a mining and construction man, has had mining experience with the Sunshine mines in the Coeur d'Alenes.

B. (See Aby's report.)
These mines in the past have been "high-grade" producers. They are old properties. Their production is about $100,000.00 in shipping rock (Copper & Silver). The Togo-Turk mines have found Flotation the solution to those ores.

C.

The Togo is under lease and bond for $50,000.00. 10% royalty is to be paid until sum is reached or until 1953.

The Turk is under lease and bond for $125,000.00. 5% royalty until principle is paid. The Red Cloud and Tomboy are located in the name of the company.

D.

Insurance; In as much as the fire hazards have been nil we have found it better to use the premium money on improvement. However, at time of loan grant ample insurance will be carried.

GENERAL DESCRIPTION POGO-TURK MINES:

LOCATION:

The property is located in Sec. 31, T. 30N: R. 38E. Deeded land and mining locations, consisting of the Evergreen, Evergreen No. 2, Hilltop, Lester, Copper Queen, Brother Lode, and Emerald; known as the Pogo group.

Lucky Boy, Lucky Boy No. 1, Lucky Boy No. 2, Lucky Boy No. 3, known as the Turk group.

In addition, we have the old Red Cloud Mines and Pennsa Copper. All told this includes 18 claims plus deeded ground.

These claims are situated in the Deer Trail Mining District, Stevens County, Washington. Roads: Fair county to mine, oil highway 6 miles, shipping point 18 miles, Springdale-all year roads.

ORE:

The ore of these mines is predominately copper and silver.

OPERATION HISTORY:

The Pogo-Turk group was purchased by Lester and Celebrezze in 1940. After making countless examinations and tests, we found the ores were capable of being treated profitably by flotation.

With our limited finances, we have installed our concentrator, opened the mines, and kept solvent.

It has been our policy, up to now to keep our operation small but efficient thus stretching our ore reserves over the years.

Owing to the National emergency and the acute shortage of copper, we feel it our duty to push our mines to the limit.

Therefore we deem this loan necessary to gain this goal.

SUBJECT: MILL

The Togo-Turk Concentrator is centrally located in relation to the mines that will supply it; that is one quarter of a mile from each. There is ample tailing room for many years to come. The ore bins are new with a capacity of 60 tons each. The primary crusher is a Blake 8" x12", set at ½ inch minus. The ore feeder is a belt type. The ball mill is of the Marcy type, 5'x6' with new liners. The classifier is a WEMCO twin rake like new, 4' x 16'. The flotation cells are Kraut, 5 in a bank. These cells are worn and obsolete and we propose to replace them. We have an American disk filter but it is too small for the operation and has no resale value.

This mill is all gravity. It was run for one month ~~xx~~ this fall for piloting purposes. The ore recovery was phenominal but could run at one fifth capacity due to the power we had as well as other "small faults" that can be corrected.

The original flow sheet was lost during construction of the mill, however, the following sketch will suffice.

By the addition of a Wolfley table, which we have, to our circuit after the cells; we could produce a clean BaSO ground to a minus 200 as a by product that would be salable at $4 $8 per ton F. O. B., Springdale, Washington.

ORE RESERVES AT MINES:

TOGO: The Togo mine has an ore shoot blocked of the following dimensions; 5 feet wide x 115 feet long x 130 feet high. This gives approximately 480 tons of pure copper at the assayed value of 6% rock.

This ore shoot extends downward but has not been developed as yet.

TURK: The Turk mine has 10,000 tons of ore on the old dumps in the sulphides that hold an average of 3% heads. This gives us around 300 tons of copper.

In the mine there is 15,000 tons of 5% ore giving a copper tonnage of 750 tons.

The gross total of these figures would give around $740,000 worth of copper at the current rate of 24½¢ per pound.

These figures do not include the extensions of winzes, drifts, etc.

This ore would more than cover the loan if it were paid back at the rate of 5% of the net smelter returns.

At various times we have sent samples to AS&R at Tacoma from the Togo-Turk mines.

Attached you will find an analysis of the ores as well as a contract to show the ore is acceptable to the Tacoma Smelter and on what terms.

14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
J. [illegible] Frostland, [illegible]	Operating partner		Have been self sustaining				
J. [illegible] Box 142 Frostwood, [illegible]	Operating partner		Have been self sustaining				
	Total		x x x x x			x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$	$	$		
Preferred stock	$ No Stock	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

NO

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

NO

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
James J Bower	Partner		
Joseph H Weisbauer	Partner	Self Sustaing	

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held: Red Cloud Copper	Mining Claims Acquired in 1950	$600	$8000	
To be acquired: All equipment to be purchased under loan will be offered as security				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)

(b) Describe existing liens, if any, on property listed above.

NONE

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS

1. Cash ..... $ _____
2. Notes receivable ..... $ _____
   Less reserve for doubtful notes ..... _____
3. Accounts receivable:
   Current ..... $ _____
   Past due not over 4 months ..... _____
   Past due over 4 months ..... _____ $ _____
   Less reserve for doubtful accounts ..... _____
4. Inventories:
   Raw materials ..... $ _____
   Work in process ..... _____
   Finished goods ..... _____ $ _____
   Less reserve for inventory losses ..... _____
5. Other current assets (describe) _____

TOTAL CURRENT ASSETS ..... $ _____

FIXED AND OTHER ASSETS

6. Plant used in business:
   Land ..... $ _____
   Buildings 3,000
   37,250
7. Machinery ..... _____
8. Equipment, furniture, and fixtures ..... _____ $ _____ 40,250
   Less reserve for depreciation ..... _____
9. Investments—stocks and bonds .....
10. Investments in affiliated companies .....
11. Receivables due from affiliated companies .....
12. Real estate not used in business .....
13. Due from officers, directors, employees, stockholders .....
14. Deferred charges .....
15. Other assets ..... Ore reserves 760,000

TOTAL ASSETS ..... 760,250 $ _____

LIABILITIES

CURRENT LIABILITIES

16. Notes payable (see schedule 1, page 10):
    Banks ..... $ _____
    Trade creditors ..... _____
    Officers, stockholders, relatives ..... _____
    Insurance companies ..... _____ $ _____
17. Accounts payable .....
18. Other current liabilities:
    Delinquent taxes { Real estate ..... $ _____
    Delinquent taxes { Federal ..... _____
    Wages and salaries ..... NONE ..... _____
    Due officers ..... _____
    Accrued interest, rent, taxes, wages, etc ..... _____

TOTAL CURRENT LIABILITIES ..... $ _____

FIXED AND OTHER LIABILITIES

19. Machinery liens .....
20. Mortgage debts (see schedule 2, page 10) .....
21. Bonds or debentures (see schedule 2, page 10) .....
22. Other liabilities .....

NET WORTH

23. Common stock (if Applicant is incorporated) ..... $ _____
24. Preferred stock (if Applicant is incorporated) ..... _____
25. Surplus (if Applicant is incorporated) ..... _____
26. Capital and Surplus Account (if Applicant is partnership or individual) .....

TOTAL LIABILITIES ..... $ _____

27. Contingent liabilities (explain) _____ $

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

ASSETS

MACHINERY: [illegible]

Crusher	[illegible] 780.	
Ball mill	7300.	
Classifier	1000.	
Oro bins	4000.	
Flotation cells	1500.	
Reagent feeders	600.	
Power plants	1100.	
Compressor	700.	
Belloys & [illegible]	1000.	
Valley cells	800.	
Pipe for water	[illegible]000.	
Total;	10,[illegible]50.	$19,850.00

[illegible]:

Portable Compressor	[illegible]500.	
Drifters	000.	
Pumps	1000.	
3 Boilers	000.	
Pipe 4000 ft.	1000.	
3 C. P. 100 Compressors	1000.	
3 Water tanks	1000.	
1 Jack hammer	500.	
1 Bullis & Mirrors drill	1500.	
Total;	[illegible],[illegible]0.	$18,100.00

Total:

Power shovel	[illegible]500.	
1 Caterpillar [illegible]	1000.	
1 [illegible] Chief	1200.	
Hand tools	2000.	
1 Ford truck	750.	
Misc. supplies	1000.	
Total;	[illegible],[illegible]0.	$ 6,250.00

TOTAL $60,700.00

SCHEDULE 1 - Notes Payable (in detail)

Name and address	Maturity	Amount	State amount and character of collateral	Name of guarantor(s) and/or endorser(s)

SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

Names and addresses of holders	Date of maturity	Interest rate	Unpaid principal amount	Date to which interest is paid
			$	
Tops Line: Washington Verde Copper Fruitland, Wn. Park Line: Harry Allen, Springdale Washington	1953 due 10% applicable	royalty to principle	50,000	
	Concurrently until		prin.	
TOTAL	x 1% paid	at x 8% xal.	$ 125,000	X X X X X X X X X X X X X X X X
			175,000	

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended _____

(Insert date of end of fiscal year)

(000.00 omitted)

	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
1. Net sales				
2. Cost of goods sold				
3. Gross profit on sales (line 1 minus line 2)				
4. Other income (itemize)				
5. Total (line 3 plus line 4)				
6. Salaries (officers or partners)*				
7. Selling and all other expenses				
8. Total of lines 6 and 7				
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				
10. Depreciation				
11. Federal Income and Excess Profits Taxes				
12. Net profit or loss (line 9 minus lines 10 and 11)				
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				
14. Net profit or loss for period				
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				
Add:				
16. Surplus paid in during period				
17. Surplus resulting from revaluation of assets				
18. Other additions to surplus (itemize)				
19. Total of lines 15 to 18, inclusive				
Deduct:				
20. Dividends				
21. Other charges to surplus (itemize)				
22. Total of lines 20 and 21				
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

EXHIBIT C — CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended _____

(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

ASSETS	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
CURRENT ASSETS:				
1. Cash				
2. Receivables (after deducting reserves)				
3. Inventories				
4. Other current assets:				
TOTAL CURRENT ASSETS				
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc.				
Delivery equipment				
Real estate and buildings used in business				
6. Other assets (as investments, real estate not used in business, etc.):				
TOTAL ASSETS				
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				
9. Accounts payable				
10. Accrued liabilities				
11. Other current liabilities:				
TOTAL CURRENT LIABILITIES				
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				
13. Debentures				
14. Other fixed liabilities:				
RESERVES:				
15. Reserve for depreciation				
16. Other reserves:				
NET WORTH:				
17. Common stock (issued) (if Applicant is incorporated)				
18. Preferred stock (issued) (if Applicant is incorporated)				
19. Surplus (if Applicant is incorporated)				
20. Capital and surplus account (if Applicant is partnership or individual)				
TOTAL LIABILITIES				

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to _____ (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
		$	$

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: _____ _____

Address of witness: _____ _____

Dated _____, 19____ _____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated _____, 19____

Witness: (For individual applicants)

_____ _____
(Signature)

Witness: James W. Wilder (For partnership applicants)

Stogo Engineering

(Full name of firm)

By Joseph W. Lestower, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

_____
(Full corporate name of Applicant)

Attest: By _____
(Signature) (Title)

_____, _____
(Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

July 31, 1952

Mr. G. C. Selfridge
Acting Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Togo-Turk
Docket DMEA-287X
Contract Idm-E304
Stevens County, Washington
(Copper)

Dear Mr. Selfridge:

2 COPIES

Please refer to your letter of July 25. In accordance with your request, enclosed are the Operator's and Field Team's copies of the referenced contract, together with copies of the rescission. On July 14, Mr. James W. Lower, Fruitland, Washington, was informed that the unsigned contracts had been returned to Washington with no action.

COPIES

Very truly yours,

S. Warren Hobbs

S. Warren Hobbs
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures
cc: USBM, Spokane (2)

FILE COPY
SURNAME:

140

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

action Selfridge

JUL 2 5

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

Subject: Togo-Turk - DMEA-287X
(Idm-E304)

Dear Mr. Weissenborn:

Reference is made to your letter of July 6, 1952, regarding the "rescission" of the proposed subject contract. Since the contract was never executed, there was no contract to rescind. Kindly return to this office the copies of the unexecuted contract and the purported rescission which you have retained in your office.

Please inform the Operator that with reference to his application you have marked your file closed.

Very truly yours,

7/25/52

George C. Selfridge
ACTING Chairman, Operating Committee
(JHB)

AEKane/ema/ 7-23-52
cc: Mails & Files
J. L. Hofflund
A. E. Kane
F. E. Johnson
Chron.

Operating Committee

APPROVED:

J. H. Hedges (JHB)
For Bureau of Mines

T. P. Thayer (JHB)
For Geological Survey

BC

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

So. 157 Howard Street
Spokane 4, Washington

July 6, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Sir:

Enclosed is a rescission of the Togo-Turk contract Idm-E304, Docket No. DMEA-287X, copper, signed by Mr. Joseph W. Geisbauer and the Executive Officer of the Field Team. We have been trying to get in touch with both Mr. Geisbauer and his partner, Mr. James W. Lower, who were informed in late April or early May that the contract was ready for signature, but they have not signed it as yet. After considerable delay Mr. Geisbauer came to the office and signed the rescission. Mr. Lower has also been advised to come in and talk to us concerning the contract, but has not done so to date.

Mr. Geisbauer states that because of some differences of opinion between the two partners he does not wish to enter into the contract, and therefore has signed the rescission before beginning any work. The contract has never been signed and therefore I presume is not valid. The Field Team and the operator's copy of the contract and rescission agreement are being retained here in our files. The other four copies of each are attached herewith.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: ~~USBM, Albany~~
USBM, Spokane

SDS
7-15-52

FILE COPY
SURNAME:

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

May 20, 1952

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief Counsel

Subject: Togo-Turk Mines, Docket No. DMEA-287X

This responds to your letter dated May 6, to the Chairman of the Operating Committee, concerning the lease and subordination agreement executed by "Harry Allen, Trustee," which are applicable to the subject contract.

In view of the affidavit executed May 5, 1952, by Harry Allen, Trustee, explaining and disclosing the nature of the trust and acknowledging that the lease and subordination agreement were executed by him as Trustee for the C. F. Allen Estate, the contract may be properly executed, provided that a copy of the affidavit is annexed to each copy of the contract. Photostatic copies are attached for this purpose.

J. L. Hofflund 5/23

J. L. Hofflund
Chief Counsel

Attachment

HCRubin/em

Copy to: Mails and Files
Operating Committee
H. F. Keller
J. L. Hofflund
H. C. Rubin
chron

5/14/52 gh

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

DOCKET COPY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1952

May 6, 1952

Ans. 5/20/52
HCR/em

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMA 287X (copper)
The Turk Mine
Stevens County, Washington

Dear Mr. Johnson:

In answer to the first request in your transmittal letter on the Turk Mine contract, we have obtained the attached memorandum in clarification of the status of the lessor.

It is our understanding in the matter that Harry Allen is the trustee of a trust which contains the property in the corpus. It would seem, in the state of Washington at least, that a trustee has full legal title sufficient to fulfill the terms of his trust. The Allen Estate could at best be the beneficiary and as such would not enter into the transfer of trust property. It seems to us then, that if the trustee has title to the property in question and if this transfer is not in violation of the trust, the lease as executed should transfer the estate therein granted. We, of course, have notice of the trust by the word "trustee" in the grant, and therefore, if we act contrary to the expressed terms of the trust, deal at our peril. To be certain of title then, probably the trust instrument should be investigated. If the enclosed memorandum does not clarify the situation, please advise us and we will attempt to obtain copies of the trust agreement and will of C. F. Allen, but to expedite processing of the contract will not be done unless requested by you.

In the light of the foregoing, it would seem that execution of a new lease will not be necessary; such a new lease might affect many existing legal rights, so we do not believe a new agreement should be made unless you deem it necessary.

In all probability, this should be brought to the attention of Mr. Hofflund, and if he concurs, we will proceed with obtaining the applicant's signature on the contracts.

MAY 14 1952
GENERAL COUNSEL
DEFENSE MINERALS ADMINISTRATION

Yours very truly,

Willard P. Puffett

Willard P. Puffett
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure
cc: USBM
Mr. Hofflund

700
FILE COPY
SURNAME:

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

HKeller
Ellis
Johnson
Nelson

AIR MAIL APR 25 1952

Mr. A. E. Weissenborn
Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

Re: Docket No. DMA-287X (Copper)
The Turk Mine
Stevens County, Washington

Dear Mr. Weissenborn:

We are enclosing six copies of a proposed contract on the above captioned exploration project.

Before obtaining the signature of the applicant to these documents, kindly obtain the following corrections to instruments furnished by the applicant:

1. The Operator's lease is signed by "Harry Allen, Trustee," but the lease does not recite that the Allen Estate is the lessor and that it is executed in behalf of the Allen Estate by Harry Allen, Trustee. Therefore, the lease must be corrected in the first paragraph to recite that the Allen Estate is the lessor and the signature corrected to read: "Allen Estate by Harry Allen, Trustee."

2. Similarly, the signature on the Landlord's Subordination Agreement must be corrected to read: "Allen Estate, by Harry Allen, Trustee."

After the above corrections, if you are in agreement with the contract as drawn up, and it is acceptable to the applicant, then kindly have the six copies signed by both partners of the applicant partnership. Please return the original and three marked copies to this office, delivering the Operator's copy to him, and retain the other copy for your files. A copy of the newly-executed lease with the correct name of the lessor should be sent to this office for our files.

HFKeller/gla 4-21-52
cc to: Adm.Reading File
Docket
Operating Committee
Messrs. C.H.Johnson, Rm. 3621
Ned Nelson, Rm. 4216 GS
Ellis
Keller

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

J.N. 4-25-52

APPROVED:

J. H. Hedges
For Bureau of Mines

D. M. Lemmon
For Geological Survey

FILE COPY
SURNAME:

Rubin

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

OI 140

April 17, 1952

Memorandum

To: E. W. Ellis

From: Chief Counsel

Subject: Contract Docket No. DMEA-287X, Togo-Turk Mines

The subject contract is in satisfactory legal form for execution, subject to the following conditions:

1. The Operator's lease is signed by "Harry Allen, Trustee," but the lease does not recite that the Allen Estate is the lessor, and that the lease is executed in behalf of the Allen Estate by Harry Allen, Trustee. Therefore, the lease must be corrected in the first paragraph to recite that the Allen Estate is the lessor. The signature must be corrected to read "Allen Estate, by Harry Allen, Trustee."

2. Similarly, the signature on the Landlord's Subordination Agreement must be corrected to read:

Allen Estate

By Harry Allen, Trustee

J. L. Hofflund

J. L. Hofflund
Chief Counsel

not stripped in R. R.

Attachments
HCRubin/bjl

Copy to: Mails & Files
J. L. Hofflund
H. C. Rubin
Chron.

3/21/52 gla

IN REPLY REFER TO:

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

March 19, 1952

Memorandum

To: Mr. H. F. Keller, DMEA
Room 4640 Interior

From: Ned E. Nelson

Subject: DMA-287X, Togo-Turk mines, Stevens County, Washington

Comment

A review of the new contract suggests:

(1) A new application, if now required, will take into consideration the dropping of the Togo property by the Togo-Turk partnership. Probably it is easier to write a new application than to amend the old.

(2) Again the shadow zone between development and exploration. It is almost apparent that the applicants have so worded the application as to give the impression that exploration is the main object whereas they hope to get into production as soon as the rehabilitation is completed. Practically, is it not worth while to combine such programs?

(3) No large reserve is to be expected here, but in general this property has much more to recommend it than has the average prospect.

(4) Probably the field office is certain the new contract satisfies - even pleases - the applicants.

N. E. Nelson

Ned E. Nelson
Geologist

3/18/52 gla

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

March 18, 1952

Memorandum

To: H. F. Keller, DMEA, Room 4640

From: C. H. Johnson

Subject: Togo-Turk Mines, Stevens County, Washington, DMA 287X (Copper)

I have reviewed the subject docket as requested in your memo of March 13.

With reference to Point 1: This seems to be chiefly a procedural problem in that the field team has submitted a contract in advance of a corresponding application. Presumably the field team is confident that the applicant will accept the contract as drawn.

2. I differ with you in that, to my mind, the bulk of the proposed expenditure is exploration, including the search for faulted segments of the vein, the determination of the true thickness of the vein and drifting on the lower level; also a good share of the upper level rehabilitation may properly be considered as exploration and practically all of the rehabilitation necessary to obtain access to the lower level and winze. It is neither practicable nor desirable, in my opinion, to rule out everything that is likely to be of benefit to future production. Admittedly in this case it appears from the record that the applicant has his heart set on getting into production rather than on discovering wholly new ore reserves. However, in any sound mining project it is highly desirable to explore the orebody reasonably well before going into production and it seems to me that a great part of the work proposed in this contract is of that nature.

3. The cost analysis indicates that the property is marginal but the field team reports that under good management there is a reasonable chance of it paying off and on that basis I believe that it should be approved. The certainty of profitable operation

under present conditions should not be made a prequisite to an exploration loan. Consideration should be given to potential production under conditions of some future emergency.

4. This is a thing that can be determined only by trial. Whatever DMEA is willing to approve can be submitted to the applicant and if he doesn't like it he can reject it.

I am forwarding the docket to Mr. Nelson. Perhaps after he has had a chance to study it we could get together and agree rather quickly on a satisfactory solution.

C. H. Johnson

C. H. Johnson

Copy to: Mr. Nelson, USGS (with docket)
C. H. Johnson
Base Metals Branch
Minerals Division
Files

700
FILE COPY
SURNAME:

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

March 13, 1952

Memorandum

To: Mr. C. M. Johnson, Commodity Group Member, Bureau of Mines

Mr. Ned Nelson, Commodity Group Member, Geological Survey

From: H. F. Keller
Rare and Misc. Metals Division
Defense Minerals Exploration Administration

Subject: Docket No. DMA-287X (Copper)
Togo-Turk Mines, Stevens County, Washington

Attached is the complete docket on the above mentioned application.

As the proposed contract apparently has the approval of the Field Team and the Executive Officer of Region II and as we do not concur in their evaluation of the proposed project, we would appreciate your comment and recommendations, taking into consideration the following points:

1. The application dated September 6, 1951, should be revised to cover the work now proposed in the contract. According to the letter of February 21 from Thor H. Fillsgaard, the applicant had requested that this application be cancelled.

2. We consider that the exploration project as proposed could be classified as development rather than exploration as the main object is to block out ore that is known to exist rather than to discover new ore deposits.

3. Even though the known ore reserves could be doubled by the proposed project it is still doubtful that the ore could be mined and milled economically.

4. The proposed project could be revised to cover only exploration work, but it appears that the applicant is interested only in a project which would rehabilitate the mine and block out ore.

cc to: Adm. Reading File
Mails and Files
Ellis
Keller

FILE COPY
SURNAME:

200

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

March 12, 1952

Not stripped in R. & R.

Memorandum

To: Operating Committee

From: Administrative Officer

Subject: Attached docket DMEA-287, Togo-Turk Mines

There is transmitted herewith a memorandum, together with copies of a proposed contract covering docket DMEA 287.

You will note that the memorandum refers to a letter dated February 21, 1952. On the basis of the letter dated February 21, 1952, this application was considered cancelled and "withdrawn".

A new application mentioned in the letter of February 21, has not been received by DMEA.

Signed.
Robert E. Adams

Enclosure

READAMS/meb
cc to: Adm.Reading File
Mails & Files Br.

Ja

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.
March 6, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

MEMORANDUM

To: Chairman, Operating Committee, DMEA, Washington, D. C.

From: Field Team, Region II

Subject: Docket DMA 287, Togo-Turk Mines, Stevens County, Wash.

Reference is made to a letter dated February 21, 1952, from Mr. Kiilsgaard for the Executive Officer, DMEA Field Team, Region II, on the above subject.

Submitted herewith is an exploration project contract with supporting cost information and map, prepared by Peter H. Toepfer, mining engineer, Bureau of Mines, along with landlord's subordination agreement. The proposed contract is for work in the amount of $50,000 to be performed at the Turk mine. There is much information in your files under the subject docket as a result of a previous application. The Field Team recommends that the application in its present form be approved.

Landlord subordination agreement, form MF--202, pertaining to the previous application is forwarded in its old form as still being binding to the lessor and lessee.

An application to change the name of the partnership from Togo-Turk Mines to Turk Mines, Inc., is in process. When completed assignment of the contract, if in effect, will be requested by the new partnership.

By Field Team, Region II

A. E. Weissenborn

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

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: USGS, Spokane

2/27/52 gla
for EWB

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1952

So. 157 Howard Street
Spokane 4, Washington

February 21, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: Docket DMA 287, Togo-Turk
Mines, Stevens County,
Washington.

Dear Sir:

We have been informed by Mr. Joe Geisbauer, applicant of the Togo-Turk Mines, that the lease on the Togo mine has been rescinded. Further, Mr. Geisbauer states that since much of the exploration work as proposed in the application was for the Togo mine, the old application should be cancelled and a new one submitted.

Mr. Geisbauer is currently preparing an application for exploration assistance which will concern only the Turk mine. He intends to submit the new application to this office as soon as it is prepared.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

c.c. to: USBM - Spokane

400
FILE COPY
SURNAME:

Selfridge
Ellis
Nuss

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

JAN 29 1952

Togo-Turk Mines
c/o Mr. Joseph Geisbauer
Fruitland, Washington

Re: Docket DMA 287 - Copper
Togo-Turk Mines
Stevens County, Washington

Dear Mr. Geisbauer:

In a letter to you dated November 26, 1951, we returned the landlord's subordination agreements of the Washington Verde Copper Company and of the State of Washington because of discrepancies in dates. In lieu of these, we requested that you return six copies of the partly filled in subordination forms for each property which were transmitted with the letter.

Will you please advise us whether or not you have been able to secure signatures for the new forms. If you have been unable to do so and do not wish to continue with the application, will you please so advise us in order that we may withdraw the application without prejudice.

Sincerely yours,

Ernest Wm. Ellis, Acting Chief
Rare and Misc. Metals Division

GCSelfridge:ls
1-28-52

Copy to: Adm. Reading File
1-29 S.O. Docket
Field Team, Region II
G. C. Selfridge
E. W. Ellis
D. H. Johnson, USBM
Ned Nelson, USGS

BN

DEFENSE MATERIALS PROCUREMENT AGENCY
Washington 25, D. C.

Memorandum

NOV 30 1951

To: Docket Control Center

From: Chief, Copper Branch

Subject: Application for Production Loan of Togo-Turk Mines, DMA 287, Commodity-Copper

This application was withdrawn September 5, 1951 in favor of an exploration project 287X.

Transmitted herewith is the complete file consisting of:

2 NSRB 146
2 Forms MF-100 with answer sheets
1 Field Team Report on Togo Turk Mines, July 20, 1951
1 Memo to DMA Field Team, Region II from P. A. Toepfer July 26, 1951
1 DMA referral of Application for Government Aid
2 Memo to J. B. Gowen from DMA Field Team, Region II
August 3, 1951 (5 copies)
August 24, 1951 (5 copies)
2 Letters to J. W. Geisbauer from
J. K. Richardson, Jan. 11, 1951
S. H. Williston, Jan. 31, 1951
1 Letter to Togo-Turk Mine from J. B. Gowen, Sept. 19, 1951 (2 copies)
2 Letters to Executive Officer, Region II from
J. K. Richardson, Jan. 31, 1951
T. Lyon, March 8, 1951
1 Letter to J. Boyd from A. E. Weissenborn, Dec. 29, 1951
1 Letter to J. K. Richardson from A. E. Weissenborn, Feb. 13, 1951
1 Letter to R. & R. from T. Lyon, Sept. 6, 1951
1 Letter to Director, PED from T. Lyon, Oct. 2, 1951
1 DMA Status change notice.

J. B. Gowen

J. B. Gowen, Chief
Copper Branch

Attachment

FILE COPY
SURNAME:

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

400
Selfridge
Mittendorf

Togo-Turk Mines
c/o Joseph W. Geisbauer
Fruitland, Washington

Re: Docket No. DMA 287 - Copper

Dear Mr. Geisbauer:

During the processing of your application for an exploration loan several legal technicalities were noted. These must be eliminated before we can complete processing of the application.

We are returning herewith the Landlord's Subordination Agreement of the Washington Verde Copper Company because the date mentioned therein, November 2, 1948, does not coincide with the date of the "Contract of Sale", October 1, 1948. Because of a similar date disagreement we also are returning the copies of the subordination form on the Turk property. In lieu of the above forms we are enclosing 7 copies of partly filled in subordination forms for each property. Please return six of the completed and signed copies on each property to us.

In the "Contract for Sale" of the Togo property mention is made of the following described patented land:

South$\frac{1}{4}$ of the S. E. $\frac{1}{4}$ Section 31, Township 30 North, etc. In material accompanying the application mention also is made that the patented land is in the South$\frac{1}{2}$ of the S. E. $\frac{1}{4}$, etc. Is the land in the South $\frac{1}{4}$ or the South $\frac{1}{2}$?

We shall appreciate hearing from you at your earliest convenience.

Sincerely yours,

C. O. Mittendorf (for) 11/26

Administrator
Defense Minerals Exploration
Administration.

Enclosures
GCSelfridge/hmj
11-23-51
cc to: Administrators Reading File
Reports and Records
Mr. Mittendorf
Mr. Selfridge
Docket
Region II (Field Team)

FILE COPY
SURNAME:

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

November 21, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Togo-Turk Mines, a partnership, exploration contract — Docket No. DMA-287

I am unable to approve the draft of a proposed Exploration Project Contract because of the following defects:

1. The description of the Togo Mine set forth in Article 2 of the contract form does not conform to the description of this property set forth in the contract of sale under which the applicants hold the property. In the contract of sale it is described as "South ¼ of the S.E. ¼ . . .", but in the contract it is described as "S½ SE¼ . . .".

2. The subordination agreement executed by the owner of the above-described property, Washington Verde Copper Company, describes the "contract of sale", which is dated October 31, 1948, as a "lease dated Nov. 2nd 1948". It is necessary to correct this subordination agreement by changing the title to read "Vendors Subordination Agreement" and by changing the opening sentence of the second paragraph to read as follows: "NOW, THEREFORE, the undersigned, as Vendor of said property under contract of sale dated Nov. 2nd 1948, hereinafter referred to as 'lease', does by these presents subordinate . . .". Inasmuch as the subordination agreement must be corrected in the foregoing respects, it should also be corrected by referring to the applicant in the same terms as it is referred in the Exploration Project Contract: "Togo-Turk Mines, a partnership, composed of Joseph W. Geisbauer and James W. Lower".

3. The subordination agreement relating to the Turk property is erroneous in that it refers to a "lease dated September 15, 1949" whereas the actual date of the lease is September 13, 1949.

4. Exhibit "A" is set forth in what seems like a difficult and cumbersome manner. It should be borne in mind that payments can be made to the Operator only under the express provisions

of the contract, and fiscal and auditing officers should be able to tell from the contract at a glance just what claims for payments are within its terms.

Exhibit "A", apparently, is set forth in four parts, the first under no heading; the second under what seems to be intended as a heading: "The proposed work and the estimated cost thereof is as follows"; the third part under the heading "Summary of Estimated Costs"; and the fourth part, following this summary, under no heading. The failure to clearly segregate these various subdivisions of Exhibit "A" makes it confusing.

The principal trouble with Exhibit "A", as I see it, is that it attempts to estimate the costs of the work in terms of two sorts of units: (1) units of work accomplished, and (2) units of actual costs. The Government's payments will be only on units of actual costs, and to attempt to combine the two in estimating the costs results in confusion. There would be no objection to estimating the costs in terms of units of work accomplished, and also in terms of units of actual cost, but the two estimates should be separate and the totals of each should balance.

Attached hereto is a draft of a simple statement of Exhibit "A" which may serve to illustrate my meaning. To be sure, this statement is based upon a hypothetical, simple, exploration project, but it could be supplemented to meet the requirements of a more complicated project.

Your file in this case is returned.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachments

JLHofflund/bjl

Copy to: Repts. & Records
R. R. Guthrie
J. L. Hofflund
Opinion File
Chron.

EXHIBIT "A"

Statement of the Work

The work consists of 1,000 feet of drifting on the No. 3 adit level of the Bonanza Mine, as indicated on a map of the proposed work attached hereto. Upon the completion of the drifting, diamond drilling will be conducted from stations in the drift as indicated on the attached map, a total of 1,000 feet of drilling by contract at a cost not in excess of $5.00 per foot, including all labor, materials, supplies, and other direct costs of the drilling operations.

Fixtures and Improvements

A combination change house and tool shed will be constructed at the site — estimated cost, including all necessary labor, materials and supplies	$ 1,000	
A headframe will be constructed for a hoist in the Exel shaft, estimated cost, including all labor, materials and supplies	500	$ 1,500

Operating Equipment

To be rented:

1 - compressor @ $100 per month for 10 months	$ 1,000	
6 - mine cars @ $10 per month each for 10 months	600	
1 - mucking machine @ $75 per month for 10 months	750	2,350

To be purchased:

1 - Ford pickup truck		2,000

To be furnished by Operator:

1 - Electric locomotive valued at $8,000, depreciation @ $40 per month for 10 months		400

Labor and Supervision		
4 - miners @ $2.00 per day for 200 days	$16,000	
1 - mucker @ $20 per day for 200 days	4,000	
1 - superintendent at $40 per day for 200 days	8,000	$28,000
Rehabilitation and Repairs		
Repair existing hoist at Exel shaft		500
Materials and Supplies		
Blasting materials	3,000	
Electric power	500	
Lumber	700	
Fuel	100	4,300
Diamond drilling by contract		5,000
Total estimated costs		$44,050

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 23 3 51 PM '51

October 19, 1951

MEMORANDUM

To: DMA Field Team, Region II

From: P. H. Toepfer

Subject: Togo-Turk Mines, Stevens County, Wash., DMA Docket 287x - Copper

The application for the Togo-Turk DMA exploration loan proposed the following work:

Stage I.

(1) Rehabilitation of main level of Turk mine from portal through ore bodies.	$ 1,040.00
(2) Driving of short crosscuts from main level to expose full width of ore.	2,000.00
(3) Driving of crosscuts from main level to find possible extensions of ore beyond fault displacements.	2,000.00
(4) Diamond drilling from main level and surface to intercept Turk vein 200 feet below main level.	10,500.00
(5) Rehabilitation of upper level of Turk mine, and crosscutting to expose full width of ore.	4,000.00
(6) Bulldozer trenching of favorable outcrops in vicinity of Turk and Togo mines.	2,800.00
(7) Surveying, mapping, geology, and sampling.	1,000.00
(8) Equipment to be purchased.	460.00
	$23,800.00

Stage II.

(1) Drifting on upper level of Turk mine to explore ore extensions discovered on main level.	$ 3,000.00	
(2) Additional drifting on favorable vein extensions discovered on main level of Turk mine.	6,000.00	
(3) Additional bulldozer trenching warranted by discoveries in Stage I.	2,500.00	
(4) Diamond drilling at Togo mine, warranted by discoveries made by bulldozer trenching.	7,000.00	
		$18,500.00
		$42,300.00

The loan application has been returned with the suggestion that the diamond drilling comprise Stage I of the contract, with the remainder of the work contingent upon the success of Stage I and comprising Stage II of the contract. This suggestion does not meet the approval of the applicant.

The applicants desire first to fully explore the ore bodies to be found on the existing main and upper levels of the Turk mine, as this is the ore which will be mined first. They hope that this work will prove sufficient ore to warrant the building of a mill. It is their intention to prove as much ore as possible on the present levels, and to use the sum allocated for diamond drilling only in case proof of further ore reserves is necessary for warranting the building of the mill.

In the opinion of the examining engineer, their plan has merit in that part or all of the diamond drilling cost at the Turk mine may be eliminated. Furthermore, the ore developed by drifting and cross-cutting can be measured and sampled with confidence, while the results of diamond drilling might not be accepted by others than the men in charge of the work. Geological mapping at the Turk mine shows promise of the discovery of extensions of the ore body. These extensions should be explored before plotting diamond drill holes for deeper exploration. Also, until the upper level is reopened and mapped, it is not known whether the ore body has a rake. Without knowing the rake of the ore, the diamond drill vein interceptions might not be plotted to the best advantage.

In regard to the diamond drilling at the Togo mine listed in Stage II, this work will require the bulldozer trenching of Stage I before the structure can be interpreted and the drill holes plotted.

The Togo-Turk property warrants the utmost consideration for a DMA exploration loan, the calculated reserves being 23,775 tons of Turk ore averaging 3.30 percent copper ore, 2,930 tons of 1.74 percent copper ore on the Turk dump, and 5,250 tons of Togo ore averaging 2.36 percent copper. Geologically, there is a strong basis for belief that much larger reserves will be indicated by the proposed exploration program. This property was seriously considered for a DMA production loan recommendation.

The applicants are competent, hard-working mining men, fully qualified to do the work and put the mine into operation; they need this type of DMA assistance. They intend to operate the mine rather than promote it, and with the conclusion of a successful exploration program, can raise the money to build the required flotation mill and place the mine in operation. It is my opinion that this exploration loan is fully justified.

A detailed itemization of cost data is given in the attached addenda to Exhibit "A".

P. H. Toepfer
Mining Engineer

Togo-Turk Mines
Stevens County, Washington

Exploration Project Contract.

ADDENDA TO EXHIBIT "A"

Stage I. (Parts 1, 2, 3, and 5 to be accomplished together with 5 men employed.)

Labor:

Main Level - Cleaning out fallen rock.
Main Level - Retimbering 160 ft. distance.
Main Level - Relaying 500 ft. of mine rail.
Main Level - Laying 300 ft. of mine rail and air line.
Main Level - Short crosscut blasting for 100 ft. total.
Main Level - Crosscutting 80 ft.
Upper Level - Cleaning out cave-ins.
Upper Level - Retimbering 160 ft. distance.
Upper Level - Laying 500 ft. of mine rail.
Upper Level - Laying 800 ft. of air line.
Upper Level - Short crosscut blasting for 100 ft. total.

Total labor, 284 man-shifts at $13.00	$3,692.00	
Supervision and hauling, 50 man-shifts at $14.00	700.00	
Industrial Accident Insurance	439.20	
Social Security	65.88	
		$4,897.08
Rental equipment from applicant, 4 mo. at $67.20	$ 268.80	268.80
Equipment rented elsewhere, 4 mo. at $558.00	$2,232.00	2,232.00

Supplies:

2,000 ft of mine rail (used) 12-lb. rail at $110.00 per ton and including track spikes, fish plates, belts, etc.	440.00	
1,100 ft of air line (used) 2" pipe at 25¢ per ft	275.00	
700 ft of water line (used) 1" pipe at 12-1/2¢ per ft	87.50	
Air and water valves and fittings (used)	50.00	
Compressor fuel and oil (for 280 ft drifting) 80%	250.00	-75
Powder, caps, and fuse (old material)	375.00	
Repair of mine car	25.00	
Small tools	100.00	
Bits and drill steel (old material)	39.62	
Total supplies		1,642.12
Total, Stage I, parts 1, 2, 3, and 5		$9,040.00

ADDENDA TO EXHIBIT "A" (Cont'd)

Stage I (Part 8)

New equipment purchased:

Air receiver, 50 cu. ft	$ 366.00	
Electric grinder, 8-inch	94.00	
Total, Stage I, part 8		$ 460.00

Stage I (Part 7)

Engineering and geologic consultation.

Labor:

Survey helper, 8 days at $12.00	96.00	
Supervision and sampling, 20 days at $14.00	280.00	
Industrial Accident Insurance	37.60	
Social Security	5.64	
Total labor	$ 419.24	
Engineering consultant, 10 days at $50.00	500.00	
Assays and printing maps, etc.	80.76	
Total, Stage I, part 7		$1,000.00

500
96
80.76
9.60
686.36

Stage I, (Part 6)

224 hours bulldozer trenching by contract at $12.50	$2,800.00	
Total, Stage I, part 6		$ 2,800.00

Stage I, (Part 4)

Diamond drilling 1,500 ft (5 months) (includes Saturday overtime)

Labor:		
Supervision and sampling, 129 days at $15.17	1,956.93	
Industrial accident insurance	195.69	
Social security	29.35	
Total labor		$2,181.97
Bulldozer work for drill sites, 16 hours at $12.50	200.00	200.00
Rental equipment from applicant, 5 mo. at $67.20	336.00	336.00
Equipment rented elsewhere, 2-1/2 mo. at $558.00	$1,395.00	$1,395.00

Togo-Turk Mines

ADDENDA TO EXHIBIT "A" (Cont'd)

Stage I, (Part 4) Cont'd:

Supplies:

Compressor fuel and oil (only 1 hole requires compressor)	$ 275.00	
Sludge tanks, scale, record books, etc.	82.03	
Assays	30.00	
Total supplies		$ 387.03
Diamond drill contract, 1,500 ft at $4.00 per ft (Includes cementing time, casing, etc.)	$6,000.00	6,000.00
Total, Stage I, part 4		$10,500.00

Stage II (Parts 1 and 2, to be accomplished together with 5 men employed.)

Labor:

Main Level - Drifting 200 ft on main level		
Upper Level - Drifting 100 ft on upper level		
Total labor, 225 man-shifts at $13.00	$2,925.00	
Supervision and hauling, 50 man-shifts at $14.00	700.00	
Industrial accident insurance	362.50	
Social Security	54.38	
Total labor		$4,041.88
Rental equipment from applicant, 3 mo at $67.20	201.60	201.60
Equipment rented elsewhere, 3 mo at $558.00	$1,674.00	1,674.00

Supplies:

Track spikes, fish plates, bolts, etc.	$ 40.00	
600 ft of mine rail, 12 lb. (with freight)	235.60	
600 ft of air line, 2" (with freight)	230.56	
600 ft of water line 1"	96.18	
Air and water valves and fittings	250.00	
Compressor fuel and oil	275.00	
Powder, caps, and fuse	1,400.00	
Repair of mine car	75.00	
Bits and drill steel	375.00	
Small tools	105.18	3,082.52
Total, Stage II, parts 1 and 2		$9,000.00

Togo-Turk Mines

ADDENDA TO EXHIBIT "A" (Cont'd)

Stage II (Part 3)

200 hours bulldozer trenching by contract at $12.50	$2,500.00	
Total, Stage II, part 3		$2,500.00

Stage II, (Part 4)

Diamond drilling, 1,000 ft (2 months, 2 shifts daily including Saturdays.)

Labor:

Supervision and sampling, 90 days at $14.06	$1,265.40	
Industrial accident insurance	126.54	
Social Security	18.98	845.73
Total labor		$1,410.92
Rental equipment from applicant, 2 mo. at $67.20	$ 134.40	134.40
Equipment rented elsewhere, 2 mo. at $558.00	1,116.00	1,116.00

Supplies:

Compressor fuel and oil (assuming 1/2 of drilling underground)	$ 290.00	
Sludge tanks, scale, record books, etc.	18.68 +0.19¢	
Assays	30.00	
Total supplies		$ 338.68
Diamond drill contract, 1,000 ft at $4.00 per ft (Includes cementing time, casing, etc.)	$4,000.00	4,000.00
Total, Stage II, part 4		$7,000.00

Note: Used material will be used when available.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.
October 18, 1951

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

OCT 23 3 50 PM '51
DEPARTMENT OF THE INTERIOR
RECEIVED

OCT 24 1951
Defense Minerals Administration,
Production Expansion Division.

MEMORANDUM

To: Chief, Copper Branch, Defense Minerals Administration, Dept. of the Interior, Washington 25, D. C.

From: DMA Field Team, Region II

Subject: Application for exploration project, Togo-Turk Mines, Stevens County, Wash., DMA Docket 287x - Copper

Telephone conversation aew *

The subject application was referred back to the Field Team through recent verbal discussion in Washington, D. C. between A. E. Weissenborn, Executive Officer, and Mr.Moulds, with the suggestion that the applicants be required to perform diamond drilling as the first and preliminary step of the proposed contract. A request was made also for detailed itemization of the cost of equipment, supplies and services under Exhibit A of the proposed contract.

A supplemental report by the examining engineer, P. H. Toepfer, USBM, giving further information about the proposed project and detailing costs under Exhibit A is attached.

The applicants have been contacted with respect to the suggested change in the proposed contract, and they state that such a change would be against their wishes. They have limited financial means and are willing to expend their funds only on a program which will enable them to get into production at the earliest possible time. Diamond drilling as an initial step will not permit this.

Mr. Moulds' attention is again directed to the fact that the Togo-Turk property contains small reserves which earlier were the subject of consideration for a DMA production loan. The applicants earnestly wish to confine their immediate exploration to workings in ore for the extension of these reserves, and they are confident that such a program will increase the reserves enough to justify construction of a mill.

Diamond drilling as an initial step and the proposed program of underground exploration both have advantages and disadvantages. The Field Team believes that these largely offset one another. At

this time of the year, however, there is some advantage in the underground program in that it can be conducted during the winter, while the diamond drilling probably should best wait until next field season.

The Field Team recommends that serious consideration be given to the wishes of the applicants in this matter.

By Field Team, Region II

A. E. Weissenborn

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

M E Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

310

FILE COPY
SURNAME:

Waugh
Growth
Johnson

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

OCT 2 1951

Memorandum

To: Director, Production Expansion Division

From: Director, Supply Division

Subject: Application for Exploration Aid of Tego-Turk Mines, DMA-287X, Commodity-Copper, Government Participation-$21,150.00

Transmitted herewith are six copies of a contract with exhibits attached, six signed subordination agreements, one agreement, one contract of sale, two field team reports, two reports of P. H. Toepfer and three applications for exploration aid (MF-103).

This project is recommended for approval by the DMA Field Team Region II. The Supply Division concurs in the recommendation.

Tom Lyon not stripped R + R

Tom Lyon, Director
Supply Division

Attachments
RVWaugh:rw (9/27/51)
Copy to: Administrator's Reading File
Executive Officer, DMA Field Team II
Copper Branch
Files-DMA Docket

a.t.e.

310
FILE COPY
SURNAME:

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

Howard
Gowan
Mackaren
Johnson

SEP 12 1951

A.E.C.

MEMORANDUM:

To: Reports and Records Branch

From: Director, Supply Division

Subject: Application for production loan (DMA-287) and exploration aid (DMA-287X) of Toco-Tura Mines, Commodity-Copper.

The above production loan application DMA-287 has been withdrawn by the applicant and substituted by an application for exploration aid (DMA-287X). The file will be transmitted when we finish processing the application.

Tom Lyon

Tom Lyon, Director
Supply Division

RVNaughton
9/6/51
Copy to: Admin. Section File
Field Team, Section II
J.B.Gowan
C.H.Johnson
D.MacLaren
Files-DMA Docket

310

FILE COPY
SURNAME:

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

Air Mail

~~Tom-Turk Lines~~

Re: Docket DMA-287X

Fruitland, Washington

G.E.C.

Gentlemen:

We are in receipt of your new application for exploration aid forwarded to us by Mr. A. F. Weissenborn, Executive Officer, DMA Field Team, Region II.

In reviewing your new application it is surmised that you are the lessee of the property in question. If that is the case, the regulations require that a copy of the lease be submitted with your application. We will hold your request for assistance pending the receipt of this lease.

Very truly yours,

J. B. Gowen

J. B. Gowen, Chief
Copper Branch

not stripped in R.&R.

RWaughtez
9/10/51

Copy to: Adm. Reading File
Executive Officer, DMA Field Team, Region II
Copper Branch
Files - DMA Docket

Stage II

Drifting		D. Drilling
Fix & Improvements	570.60 ✓	281.74 ✓
Equip rented.	1,674.00 ✓	1,116.00 ✓
purch.	.	.
deprec.	202.20 ✓	50.00 ✓
supplies	2155.13 ✓	338.87 ✓
Labor	4,565.93 ✓	.
Sup & Eng.	983.43 ✓	845.73 ✓
Rehabil & repairs	75.00 ✓	—
	10,226.29	2,632.34
		12,858.63

Stage I.

Fix & Improvements	1218.50 ✓	.
Equip rented	1,116.00 ✓	1,116.00 ✓
purchase	94.00 ✓	.
deprec.	134.80 ✓	125.00 ✓
supplies	670.37 ✓	387.03 ✓
Labor	3,043.95 ✓	~~387.93~~
Sup & Eng. (655.52 + 607.04)	1,262.66 ✓	2,114.32 ✓
Rehabilitation & re.	25.00 ✓	—
	7,565.28	3,742.35
		11,307.63
		24,166.26
		15,500.00
		39,666.26

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
AUG 31 1 31 PM '51

August 24,1951

MEMORANDUM

To: J. B. Gowen, Acting Chief, Copper Branch, Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II

Subject: DMA Docket 287 and 287X, Togo-Turk Mines, Stevens Co., Wash.

On August 3, 1951 a Field Team report recommending denial of a production loan for the subject property was transmitted to your office. This report was accompanied by a memorandum recommending an exploration project requiring a total expenditure of $40,200. The exploration contract was to be forwarded on receipt of subordination agreements.

Your attention is directed to the enclosed exploration contract which has been revised upward to a total of $42,300. This increase is the result of modifications of the exploration program originally presented in the memorandum report.

By Field Team, Region II

Thor H. Stibgaard

FOR: A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M E Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1207 N. Division St.
Spokane 2, Wash.

August 3, 1951

MEMORANDUM

To: J. B. Gowen, Acting Chief, Copper Branch,
Defense Minerals Administration, Washington 25, D. C.

From: DMA Field Team, Region II

Subject: DMA Docket 287 and 287X, Togo-Turk Mines, Stevens Co., Wash.

Application first was made for a production loan in the amount of $44,000 to rehabilitate and place in operation the Togo-Turk mines. After becoming evident upon examination that the measurable reserves were inadequate to support the requested loan, the applicants thereupon proposed consideration of an exploration program.

Accordingly, a two-stage program requiring a total expenditure of $40,200 has been appraised and recommended by the examination team. The second stage of this program is to be undertaken contingent upon Field Team approval.

The Field Team, in agreement with the conclusions of the examination team, recommends that a contract requiring a commitment of $20,100 in public funds be approved.

The following material is transmitted herewith for review and appropriate action: Memorandum to Field Team, recommending denial of production loan, and supplemental memorandum to Field Team, recommending approval of exploration loan.

An exploration contract, complete with appropriate exhibits, will be forwarded on receipt of subordination agreement.

By Field Team, Region II.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

For: A. E. Weissenborn, Exec. Officer
(U. S. Geological Survey)

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1207 N. Division
Spokane 2, Wash.

July 26, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

MEMORANDUM

To: DMA Field Team, Region II

From: P. H. Toepfer

Subject: DMA Docket 287X, Togo-Turk Mines, Stevens County, Wash.

Joseph W. Geisbauer and James W. Lower, lessees of the Turk and the Togo mines, Springdale district, Stevens County, Wash., applied for a $44,000 DMA production loan to place these properties in operation.

The DMA examination team measured the following ore reserves:

Mine	Tons	% Copper per ton	Oz. Silver per ton
Turk mine	23,775	3.30%	0.429 oz.
Turk dump	2,930	1.74%	0.429 oz.
Togo mine	5,250	2.36%	0.514 oz.

Details are given in the Field Team report, Togo-Turk Mines, Stevens County, Washington, (DMA Docket No. 287).

Operation of the Togo mine was not considered feasible in view of the small tonnage of developed ore. Operation of the Turk mine to supply the 35-ton mill was considered on the basis of a DMA production loan revised downward to $18,500. The examination team estimated costs of $10.83 per ton of ore mined and milled, with

receipts of $9.07 per ton; a net loss of $1.76 per ton on ore of the grade measured. A DMA production loan therefore could not be recommended. The estimated high operating cost is largely due to the proposed 35-ton mining and milling schedule, yet the size of the reserve does not warrant the building of a larger mill.

As the Turk mine and the surrounding area appear to have good exploration possibilities, a program should have a better than average chance of increasing the reserves sufficiently to justify a 100-ton mill. A larger operating rate would decrease costs, especially the milling cost, and the loan amortization could be spread over the larger tonnage developed.

RECOMMENDATIONS

The applicants now propose a ~~$39,740~~ $40,200 exploration program, one-half the cost to be borne by the government, for the purpose of developing sufficient reserves to warrant the building of a 100-ton flotation mill and to establish a profitable mining operation.

Stage I of this program calls for the expenditure of $17,700 in opening the upper level of the Turk mine, rehabilitating the main level of the Turk mine, crosscutting the Turk ore body on the main level to expose its full width for measuring and sampling, crosscutting from the ends of the Turk ore body for possible extensions, diamond drilling from the main level of the Turk mine to determine the persistence of the ore in depth, and bulldozer trenching

in the vicinity of the Turk and the Togo outcrops and at other known outcrops.

The upper level of the Turk mine must be opened to provide ventilation and an escape way for future mining operations. Additional ore reserves may be found when this level is open for examination, as old mine maps indicate that the upper level was not driven to the full width of the ore body, and the stoping there may be as incomplete as that done on the main level. A detailed geological study may show that additional crosscutting and drifting will be needed to fully explore the ore body on the upper level.

The rehabilitation of the main level will be necessary for future mining operations, as well as for carrying out the exploration program.

The full width of the Turk ore body, possibly as much as 15 feet, has not been disclosed on the main level. By crosscutting the ore body at intervals of 40 feet, the full cross section can be measured and sampled. The current Field Team reserve estimates are based upon sampled widths, which in only two places reach the full thickness of the ore body.

The ends of the Turk ore body appear to have been displaced by small faults. Crosscutting for possible extensions is warranted; if extensions are found, development drifting should be undertaken.

The underground workings provide a good site for diamond drilling the Turk ore body 200 feet down the dip below the main level, thus determining the downward persistence of the ore.

Surface bulldozer trenching would more fully expose two favorable outcrops upon which only superficial work has been done. Further bulldozing would be done to locate possible extensions of the Turk and the Togo ore bodies. The area is covered by a thin mantle of glacial detritus generally concealing the outcrops. The trenching will probably have to cut banks averaging 10 feet in depth to reach bedrock. The overburden can be moved easily and the topography is ideal for the work.

Stage II requires the expenditure of $22,500 contingent upon the success of Stage I, and subject to Field Team approval. Work to performed at this stage includes crosscutting the Turk ore body on the upper level to expose the full width of the structure, 100 feet of crosscutting and drifting on the upper level for possible extensions of the Turk ore body, 200 feet of drifting to be done on any extension of the Turk ore body found on the main level, additional bulldozing of outcrops, and diamond drilling for extensions of the Togo ore body.

Stage I is expected to take four months for completion on a 2-shift, 5-day week schedule. Stage II, if approved, is expected to require a similar period on the same operational basis. Weather conditions and shortage of labor supply, however, may interfere with the program to the extent that its fulfillment

would be lengthened to two years. For this reason, a two year time limit is recommended.

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

DEFENSE MINERALS ADMINISTRATION

Report by Examination Team
Region II

DMA-287---Togo-Turk Mines

Stevens County, Wash.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 10 1951

ON-SITE EXAM

P. H. Toepfer
U. S. Bureau of Mines

July 20, 1951

EXAMINATION TEAM REPORT

DMA Docket No. 287

P. H. Toepfer, USBM

Togo-Turk Mines
Stevens County, Wash.
July 20, 1951

RECOMMENDATIONS

It is recommended that a production loan be denied the applicant. A unit loss of $1.76 per ton is estimated on a 35-ton daily ore mining and treatment schedule. Present reserves of 26,705 tons of 3.13 percent copper are not sufficient to amortize a larger capacity mill.

To increase the measured reserves, it is recommended that the attached exploratory contract be approved in the amount of ~~$39,740.00~~ $40,200. If this program is successful, the production potential may be increased to 100 tons per day, and mining, milling, and amortization costs thus decreased to the point of profitable operation.

APPLICANT

The applicant is the Togo-Turk Mines, Stevens County, Wash., a partnership of James W. Lower, Fruitland, Wash., and Joseph W. Geisbauer, Trentwood, Wash.

LOCATION OF DEPOSIT

The property held by this partnership is in sec. 6, T. 29 N., R. 38 E., and secs. 31 and 32, T. 30 N., R. 38 E., Stevens County, Wash. in the Springdale mining district.

The Turk mine is about 8 miles east of Fruitland, Wash.; the Togo mine is about a mile beyond the Turk. Good, maintained gravel roads with moderate grades extend for the first 6 miles of this distance. The last 2 miles of road, however, are at grades approaching 10 percent.

These mines are near the crest of a low range of rounded hills known as the Huckleberry Mountains. Snow conditions usually do not retard communications for more than short periods during the winter months.

The Turk property consists of four unpatented lode claims together with 40 acres of patented land in sec. 31, T. 30 N., R. 38 E. These claims are the Lucky Boy and Lucky Boy Nos. 1, 2, and 3. The Togo property consists of 7 unpatented lode claims in the S. 1/2 of the SE 1/4 (patented) sec. 31, T. 30 N., R. 38 E., and the SE 1/4 (patented) sec. 6, T. 29 N., R. 38 E. The unpatented claims are the Evergreen, Evergreen No. 2, Hill Top, Brother, Tamarack, Copper Queen, and Hector.

OWNERSHIP

The Turk group, owned by the Allen Estate, Springdale, Wash., is under a sales agreement dated September 13, 1949, from Harry Allen, Trustee, to Joseph W. Geisbauer and James W. Lower. This agreement is in effect for a term of 5 years and thereafter as long as ores are produced on a commercial basis from the property. Contract shall be voided if no work is done for a period of 6 months. Payments are to be made at 4 percent of

the net smelter return on dump ore and 8 percent of the net smelter return on mined ore until $125,000 is paid, at which time the property will be transferred to the ownership of Geisbauer and Lower.

The Togo group is owned by the Washington Verde Copper Co., a Washington corporation, and/or Val W. Brasch and Mrs. Lillian H. West, trustees of the Washington Verde Copper Co. It also is under a sales agreement dated October 30, 1948, to Joseph W. Geisbauer and James W. Lower. The purchase price is $50,000 payable on or before October 30, 1953, deferred principal to bear no interest until due, and thereafter at the highest rate permitted by the law. The purchasers are to make payments of 10 percent of the net smelter returns derived from ores extracted from the property, that payment being assigned to the vendor by the mutually designated smelter. If the full purchase price of $50,000 is not paid by October 31, 1953, all previous payments are forfeited and the property will return to the vendors. A minimum of two men are to be employed continuously on the property except under conditions of adverse weather, the agreement being subject to forfeiture in case this is not done.

It is pointed out that the terms of the Togo lease are indefinite and subject to forfeiture after October 31, 1953. The sales agreements for both properties probably can be subordinated to accord with the requirements of a DMA loan.

A search of Stevens County courthouse records failed to disclose any conflicting claims or clouds on the titles.

HISTORY AND PAST PRODUCTION

The Turk mine was located in 1881 and the Togo probably about 1900. During the earlier years mining operations appear to have been intermittent and on a small scale.

The most continuous operations occurred during the period 1916 to 1919. In 1916 production from the Springdale district amounted to 187 tons of ore. This ore yielded $58.00 in gold, 52 ounces silver, and 34,044 pounds copper. The Turk mine was the principal producer. Trial shipments only were made from three other properties. The ore shipped from the district thus averaged 9.1 percent copper. It was stated that the Turk ore was hand-sorted to an average grade of 10 percent copper, the remainder being left on the dump for future flotation treatment.

In 1917 the district is credited with output of 913 tons of ore, yielding $326.00 in gold, 5,098 ounces silver, and 121,372 pounds copper. The entire copper output can be credited to the Turk Mine, indicating that the ore shipped averaged 6.65% copper.

Production records for 1918 are obscured by the operation of two lead-silver properties; however, an output of 82,727 pounds of copper can be credited almost entirely to the Turk mine.

The records for 1919 are similarly obscure, but almost the entire production of 28,489 pounds of copper apparently can be credited to the Turk mine.

In 1928 and 1929 several carloads of copper ore were shipped from the Turk. A gravity mill built during this period proved unsatisfactory because of the abundance of barite in the ore. Output in 1929 from both the Turk and Togo mines amounted to 43,931 pounds of copper.

Small lots of ore were shipped from the Turk mine in 1939 and 1940. Operations continued on a small scale through 1943. During 1942, 392 tons of ore were milled at the Deer Trail flotation plant. Since that time there has been no recorded production.

The foregoing indicates production of about 200 tons of copper metal, with an additional unknown production during the early operating years. Of the two properties, the Turk has been by far the larger producer.

DESCRIPTION OF PROPOSAL

The applicant requests a loan to place the Turk mine in operation. This loan would be used to purchase mining equipment, repair equipment on hand, rehabilitate the mine portals, and drive development raises for mining and providing ventilation.

Funds also are requested for purchasing equipment for the applicant's 35-ton flotation mill, replacing that equipment which is obsolete and providing other equipment needed, and for its installation.

The loan further is to cover mine and mill plant costs for the first month of operation.

TECHNICAL FEASIBILITY

Geologic Setting

The country rock of the area surrounding the mines is the Deer Trail argillite, which Weaver[1/] considers to be Lower Paleozoic in age. The formation is composed of argillites, phyllites, quartz-mica schists, thin limestone beds, and subordinate quartzites. The argillites are in part calcareous, and locally grade into limestone or dolomite. In the mines, the limestone beds are thin and argillaceous. The beds have been metamorphosed, presumably as a result of the emplacement of the Colville batholith which crops out about a mile to the west of the mines.

Folding and faulting are conspicuous in the mines, and minor faults and fractures are numerous. Little fault gouge occurs within the zones of minor fracturing, but these fractures were the channels for mineralizing solutions. In the argillites and dolomites, these solutions have serpentinized and sericitized the rocks adjacent to fractures, and minor quartz and carbonate veinlets are present. Some pyrite and sparse chalcopyrite are present locally. In the limestones

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1/ Weaver, C. E., Mineral resources of Stevens County, Wash., Washington Geological Survey, Bull. 20, 1920.

and calcareous argillites, chalcopyrite, pyrite, quartz, calcite and in the Turk mine, barite have replaced the favorable beds. In both mines the control of mineralization seems to be fracture structures intersecting replaceable beds.

Turk Mine

The geology of the Turk mine is shown on the accompanying map. The rocks exposed in the accessible parts of the mine are principally argillites, with thin interbedded limestones and quartzites. The beds strike about north, and dip steeply to the east. In detail, the continuity of the bedding is broken by many minor faults and folds. The faults may be grouped broadly into those that trend north to N. 30 W. and dip moderately to steeply to the east, and those that trend about east with steep to vertical dips. The second group appears to be younger than the first.

The Turk ore body is in a fracture zone that trends slightly west of north, with an average dip of 48° to the east. The zone is not marked by an conspicuous fault, yet minor movement has taken place on many planes. The fracture zone nearly parallels the bedding, but locally cuts across bedding slightly. Some beds have been more extensively replaced than others, with consequent rich and lean streaks of ore. The main ore zone terminates along a cross fault at its south end, and at the north end it thins and steepens, apparently terminating against a small fault of unknown displacement.

The ore consists of chalcopyrite accompanied by pyrite, quartz, barite, and calcite. Some bornite, covellite, cuprite, and malachite are present, especially in the near surface workings of the No. 2 level. Sericite and serpentine are developed in the argillites and dolomites. The distribution of gangue minerals is not uniform, the barite in particular tending to be found near the hanging wall. In addition to the main ore body, which was seen only on the No. 3 level and stopes from that level, sulfide minerals are found along many fractures, replacing the more favorable beds. In the No. 2 level, abundant malachite staining prevails nearly to the caved face of this adit. Sparse pyrite and chalcopyrite were observed for the last 40 ft. of the working, and some ore-grade material is present on both the footwall and hanging wall at the cave. The caved face is believed to be the beginning of the main ore body.

Turk Mine Reserves

The main ore body on the No. 3 level has a total length of 230 ft. and a width that ranges from 3 to 12 ft. In the accessible stopes above this level, stoping widths ranged from 3 to about 13 ft. and are estimated to average over 7 ft. The average sample width of 8.1 ft. is used in calculation of reserves. Sampling indicates that the ore both thins and becomes lower grade at its northern end, and 190 ft. thus is taken as the length of the ore body on the No. 3 level. With a stoping height of 120 ft., 17,650 tons of ore originally were present

above the level; however, about 40 percent of this material has been stoped or will need to be left as pillars, leaving 10,600 tons available for mining. Below the No. 3 level, ore has been mined from an inclined winze that extends 125 feet down the dip of the vein. A reported 120 ft. of drifting from the 100-foot station, and a sublevel driven at about the 25-foot station were in ore. Stoping from the sublevel has broken through to the No. 3 level in several places. All of these workings are flooded. Reserves below the No. 3 level may reasonably be calculated to the 100-ft. level. Using the same length and width, there originally were 14,650 tons of ore present, and deducting 10 percent for previous stoping, 13,175 tons of ore are available for mining.

In addition to the unmined reserves, appreciable amounts of dump rock can be milled. The upper dump, near the portal of No. 2 level contains 1,480 tons and the lower dump near the portal of No. 3 level contains at least 1,450 tons. An additional 400 to 500 tons of broken rock is present as gob in the old stopes above No. 3 level.

The grade of the ore in this mine is difficult to determine because of the varying amounts of lower-grade mineralization throughout the ore body. The first sampling by the DMA field team gave an average grade of 3.26 percent copper. Check sampling changed this grade to 3.30 percent copper. Records for the years 1917 to 1919 indicate that the average

grade of the 2,200 approximate tons of mine-run ore produced during that period was about 6.8 percent copper, which by hand-sorting was split into 1,300 tons of 10 percent ore that was shipped and 900 tons of 2-plus percent rock that was dumped. This does not fully agree with the information given in the Mineral Resources volumes, but is included as having a bearing on the statements given under History and Production ~~in section 5~~ of this report.

Sampling of the dump rock indicates an average grade of 1.74 percent copper.

In summary, the tonnage and grade of Turk ore reserves are:

Above No. 3 Level	10,600 tons
Below No. 3 Level	13,175 tons
Total	23,775 tons of 3.30 percent copper
Upper Dump	1,480 tons
Lower Dump	1,450 tons
Total	2,930 tons of 1.74 percent copper

Bureau sampling records are shown in the appendix.

Togo Mine

The geology of the Togo mine is shown on the accompanying map. The rocks exposed in the only accessible level include argillite, argillaceous limestone, dolomite, and minor quartzite. The rocks have been moderately metamorphosed, especially the carbonate rocks to tremolite.

The structure is fairly complex in detail, but in general the beds trend northeast and are nearly vertical. Near the principal faults, drag folds of moderate amplitude are well developed. Many

minor faults and fractures are present, many of which are not shown on the map.

The Togo ore body is developed in a fault zone that trends N. 30 W. and dips about 40° NE. The faults cut across the bedding at a slight angle, and the best ore develops in a bed that was presumably an impure limestone. The ore is terminated to the north by a vertical to steep northwest normal fault that may be pre-mineralization in age. Movement on the fault has produced conspicuous drag folding, indicating that the southern block moved upward and to the east. The fault surface is a serpentinized gouge zone of unknown thickness. The probable age of this fault has been established on the absence of brecciated sulfides in the gouge. No exploration for the continuation of the northwest trending structure has been done but may be justified as the ore body is developed. The Togo ore body gradually becomes poorer in grade to the southeast although the fault zone continues as a strong structure with well defined walls. Possible exploration along this structure also may be justified.

The ore body has a length of about 70 feet and an average width of 3.7 feet. The ore minerals appear to be dominantly chalcopyrite with a small amount of secondary cuprite and malachite, with associated pyrite, quartz, and calcite. The ore is overlain by argillites at its northern end, but as the controlling structure cuts across the bedding, it is overlain and underlain by tremolitic rock most of its length. Replacement has gone beyond the bounding faults where the structure transects

favorable beds.

The face of the Togo adit penetrates another tremolitic limestone that has been moderately replaced with sulfide minerals. Two weakly mineralized minor faults are present, and offer possibilities for exploration.

Togo Mine Reserves

Only a small amount of stoping has been done above the main level of the Togo mine. Estimating that stoping has been done to a height of 30 feet, 142 feet of stoping height remains. With a 70-foot length and a 3.7-foot average width, this amounts to 3,500 tons. Assuming that the ore continues down the vein 50 feet gives an additional 1,750 tons.

The grade of these blocks as indicated by DMA field sampling is 2.36 percent copper. Production records are too spotty to permit calculation of the mine-run grade, but the mine is known to have produced some ore.

Rehabilitation, Equipment Cost, and Amortization

Inasmuch as the DMA sampling failed to show sufficient reserves, operation of the Togo mine will not be considered in this report.

At the Turk mine, the proposed mining operation would be conducted from No. 3 level, 93 feet below No. 2 level. A winze, now flooded, is reputed to extend 125 feet down the Turk ore body, and 120 feet of drifting has been done at a depth of 100 feet. The workings necessary for extracting the

Turk ore body are in good condition. However, the trimming of sharp drift corners, the retimbering of the adit at the portal and at two fault zones, and the reopening of No. 2 level for ventilation and an escapeway will be required.

Necessary rehabilitation at the Turk mine is listed as follows:

Retimbering portal and rehabilitating main level	$1,200
Opening upper level for ventilation and escapeway	300
New ore bin	1,000
Reconditioning 5 mine cars	250
Installation of receiver and reconditioning air line	400
Total Rehabilitation	$3,150

The following equipment will be additionally needed for the Turk operation:

1 - horse, harness, and brake for tramming	$ 500
1 - receiver tank	200
2 - stopers	1,000
1 - slusher and scraper	1,000
Total additional equipment cost	$2,700

At a later stage of operations, hoisting and pumping equipment will have to be reconditioned for mining below the main level. The estimated cost is listed as follows:

Repairs on air hoist	$ 100
Reconditioning skip	50
Cable, pulleys, guides, and installation	300
Reconditioning 1 mine car	50
Reconditioning skip pocket	50
Reconditioning pump and installation	100
Total reconditioning cost for hoisting	$ 650

Thus the total sum needed for reconditioning of present equipment and additional mining equipment will total $6,500. This sum, amortized against the ore reserves of 26,705 tons, gives charge of $0.24 per ton of ore mined.

Mining Method and Cost

The Turk ore body dips at an angle of about 45° between levels. Locally, the footwall dip approaches 32°. Both hanging walls and footwalls are competent argillites. Four narrow, vertical shears cut and divide the developed ore body into three segments. These shears apparently are the only breaks in the hanging wall. The ore is hard, strong, and breaks with a minimum of fines. Secondary blasting will be required in the stopes. Both hanging wall and footwall partings are sharp and easily recognized. The width of the ore body is not fully exposed; it appears to range from 7 feet to 15 feet. The average sample width was 8.1 feet, but the average ore width should certainly exceed 9 feet. The ore body is developed for 230 feet on the lower level, and for 190 feet can be considered commercial. This length is divided by fault shears into segments 38, 107, and 45 feet long. Pillars will be required for support across the fault shears and within the center of the largest fault segment. With 10 percent pillar area, the stopes should stand without additional support.

A great deal of the ore between No. 3 and No. 2 levels has been removed by open stoping methods, most of which has been done in the central segment. The end segment stopes extend only short distances. All stope faces were observed to be of

milling grade. Ten percent of the ore will have to be left in pillars, but an equivalent amount probably can be mined from the walls of the stopes.

The ore body is too flat for shrinkage stoping and too wide for open stoping methods with drilling from stulls. It is recommended that a slusher shrinkage stoping method be followed, with each fault segment of the ore body as a separate stope. Each stope thus would be worked from a raise driven the full width of the vein between levels. The miners would work from the top of the broken ore, drilling the vein in the back. After blasting, enough ore would be scraped out to the raise ore chute to provide working room for the next round. As the ore breaks coarse, it might run down the raise chutes; however, slushing also may be necessary down the chutes. Secondary blasting would be necessary in the stopes, and bulldozing grizzlies thus could be advantageously placed above the chute gates. After completion of the stopes, all the broken ore could be removed with the slusher. The pillars could be extracted after filling the open stopes with rock from the surface.

The development work on each stope would consist of opening up the full width of ore on the main level, timbering the drift, building a raise set with ore chutes, installing a bulldozing grizzly above each chute gate, and driving a raise to the upper level, carrying the full width of the ore. The raise timbering would consist of stulls and lagging on each side

of the manway. The northern of the three stopes should be developed first. It would provide ventilation and provide 1,160 tons of development ore.

The total cost of development work for mining the ore between No. 3 and No. 2 levels is estimated to be $36,900, with a total of 3,040 tons of development ore broken. The cost of this development ore delivered to the mill would thus be $12.14 per ton.

It is to be noted that this development work, by exposing the full width of the vein, might considerably increase the measurable ore reserves.

The remaining 7,560 tons of ore to be stoped is estimated to cost $4.41 per ton delivered to the mill.

For the ore below the main level of the Turk mine, a winze already extends down the vein to a depth of 125 feet, 120 feet of drifting is said to have been done on the 100-foot level, and a small amount of stoping has been done. The remaining development work in this lower area would consist of pumping out the winze, blasting out the full width of the ore, widening and retimbering the lower drift to the full width of ore, extending the drift the full length of the ore body, timbering for stoping as done on the main level, and driving two other raises in the other two ore blocks. The cost of this work is estimated to be $51,000, resulting in 3,250 tons of ore that could be delivered to the mill at an estimated cost of $15.69 per ton.

The remaining 9,925 tons of ore to be stoped is estimated to cost $5.51 per ton delivered to the mill.

The 2,930 tons of ore on the Turk dump are to be loaded with a power shovel owned by Lower and Geisbauer, and can be delivered to the mill at a cost of $0.50 per ton.

The summation of the tonnages and mining costs is listed as follows:

3,040 tons of development ore costing	$12.14 per ton
7,560 tons of stoped ore costing	4.41 per ton
3,250 tons of development ore costing	15.69 per ton
9,925 tons of stoped ore costing	5.51 per ton
2,930 tons of dump ore costing	0.50 per ton

These figures total 26,705 tons of measured ore costing an average of $6.64 to mine and deliver to the mill.

Turk Mill

Supplemental report by J. D. Bardill, Bureau of Mines.

Operating Fund

Operating capital would have to be borrowed for the first month of operation, and for carrying out part of the development preparatory to stoping. The sum asked is $2,000, giving an additional amortization charge of $0.07 per ton of ore mined and milled.

Summary of Estimated Costs and Income

Costs	Per ton	
Mining and delivery to mill	$6.64	
Mine rehabilitation	0.24	
Working capital	0.07	
Total cost for mining, delivery, & amortization		$ 6.95
Milling (Bardill's estimate)	$3.50	
Milling equipment amortization (Bardill's estimate)	0.38	
Total cost for milling & amortization		$ 3.88
Total overall cost per ton of ore (mined & milled)		$10.83
Net income from sale of concentrate(Bardill's estimate)		9.07
Indicated loss to company, per ton of ore mined & milled		$ 1.76

LABOR SUPPLY

Experienced miners can be hired locally as there are numerous intermittantly-operated mining operations throughout the county. It was observed that a large proportion of the mine crews in the vicinity are made up of Indians from the nearby reservations. These Indians are good miners and usually do not migrate to war production industries.

COMPETENCE OF THE APPLICANTS

The applicants appear to be competent to manage the proposed operation. Lower has had three years of technical training for mining, together with considerable experience in mill operation. Both men have had mining experience. As Geisbauer deals in second-hand machinery, it is expected that mine and mill equipment will be acquired at greatly reduced costs.

CONCLUSIONS

An appraisal of the Togo-Turk property warrants the following conclusions.

1. A unit loss of $1.76 per ton is estimated on a 35-ton daily mill capacity. Costs of mining, milling, and amortization are estimated to be $10.83 per ton of ore with receipts from sale of concentrate at $9.07, indicated loss of $1.76 per ton of ore.

2. The present reserves do not warrant a larger capacity mill.

3. An exploration program would have a very good chance of increasing measurable reserves.

4. With production at 100 tons per day, mining, milling, and amortization costs might be decreased to the point of profitable operation.

APPENDIX

Togo-Turk Sampling Data

TOGO MINE: (MAIN ORE BODY, LOWER LEVEL)

#51-73 (5 ft. from west end. 7.0 ft. full width. dip 40 N.)
Cu, 3.52%; Ni, 0.05%; Au, 0.005 oz; Ag, 1.2 oz

#51-74 (15 ft. from west end. 2.4 ft. full width. dip 31 N.)
Cu, 2.03%; Ni, 0.5% Au, 0.005 oz; Ag, 0.05 oz

#51-75 (25 ft. from west end. 3.9 ft. full width. dip 39 N.)
Cu, 1.35%; Ni, 0.05%; Au, 0.005 oz; Ag, 0.6 oz

#51-76 (35 ft. from west end. 5.1 ft. full width. dip 41 N.)
Cu, 2.38%; Ni, 0.05%; Au, 0.005 oz; Ag, 0.05 oz

#51-77 (45 ft. from west end. 2.3 ft. full width. dip indeterminate)
Cu, 1.17%; Ni, 0.05%; Au, 0.005 oz; Ag, 0.4 oz

#51-78 (55 ft. from west end. 2.3 ft. full width)
Cu, 1.03%; Ni, 0.05%; Au, 0.005 oz; Ag, 0.6 oz

#51-79 (65 ft. from west end. 2.9 ft. full width)
Cu, 1.54%; Ni, 0.05%; Au, 0.005 oz; Ag, 0.7 oz

#51-80 (75 ft. from west end. 1.3 ft. full width)
Cu, 2.86%; Ni, 0.094%; Au, 0.005 oz; Ag, 0.7 oz

Check Sampling (R. J. Hundhausen)

#51-74 (15 ft. from west end. 2.4 ft. full width)
Cu, 2.00%; Ni, nil; Au, Tr; Ag, 0.6 oz

#51-75 (25 ft. from west end. 3.0 ft. full width)
Cu, 4.10%; Ni, nil; Au, nil; Ag, 2.1 oz

#51-78 (55 ft. from west end. 3.0 ft. full width)
Cu, 1.40%; Ni, nil; Au, nil; Ag, 0.5 oz

TOGO MINE: (MINERALIZED ZONE AT END OF MAIN CROSSCUT TUNNEL)

#51-72 (East wall of crosscut from face to 10 ft. back of face)
Cu, 0.02%; Ni, 0.05%; Au, 0.005 oz; Ag, 0.5 oz

#51-34 (East wall of crosscut from 10 ft. back of face to fault 22 ft. from face)
Cu, 0.01%; Au, 0.005 oz; Ag, 0.2 oz

#51-35 (Mineralized fault 22 ft. from face. 1.7 ft. average width)
Cu, 0.02%; Au, 0.005 oz; Ag, 0.4 oz

APPENDIX (Continued)

TOGO MINE: (SPECTROGRAPHIC DETERMINATIONS)
#51-25 (Picked sample of erratic sulfide mineralization near raise)
Arsenic over 10%; Copper from 0.1% to 1.0%

TOGO MINE DUMP: (DUMP SAMPLING)
#51-36 (33-ton dump of rejected ore from high grade shipping at Togo Mine)
Cu, 2.22%; Au, 0.005 oz; Ag, 0.4 oz

TURK MINE: (MAIN ORE BODY, LOWER LEVEL)
#51-81 (27 ft. from north end. 5.8 ft. sampled. Not full width. Dip 38 E.)
Cu, 3.28%; Au, 0.005 oz; Ag, 0.3 oz

#51-82 (36 ft. from north end. 6.3 ft. sampled. Not full width)
Cu, 2.87%; Au, 0.005 oz; Ag, 0.4 oz

#51-83 (55 ft. from north end. 11.8 ft. full width Dip 60 E.)
Cu, 3.02%; Au, 0.005 oz; Ag, 0.6 oz

#51-84 (108 ft. from north end. 9.8 ft. sampled. Not full width. Dip 34 E.)
Cu, 4.04%; Au, 0.005 oz; Ag, 0.1 oz

#51-85 (124 ft. from north end. 7.0 ft. full width. Dip 41 E.)
Cu, 2.90%; Au, 0.005 oz; Ag, 0.5 oz

#51-86 (172 ft. from north end. 7.2 ft. sampled. Not full width. Dip 54 E.)
Cu, 0.24%; Au, 0.005 oz; Ag, 0.05 oz

#51-87 (206 ft. from north end. 3.7 ft. full width of footwall fork. Dip 36 E.)
Cu, 1.16%; Au, 0.005 oz; Ag, 0.2 oz

<u>Check Sampling (R. J. Hundhausen)</u>

#51-82 (36 ft. from north end. 6.0 ft. sampled)
Cu, 3.10%; Ni, 0.02%; Au, nil; Ag, 0.5 oz

#51-86 (172 ft. from north end. 4.0 ft. sampled)
Cu, 2.30%; Ni, nil: Au, nil; Ag, 0.4 oz

TURK MINE: (SLIGHTLY MINERALIZED LIMESTONE IN DRIFT BELOW MAIN ORE BODY)
#51-88 (South face of limestone. 9.5 ft. full width)
Cu, 0.03%; Au, 0.005 oz; Ag, 0.3 oz

APPENDIX (Continued)

TURK MINE: (DUMP SAMPLING)

#51-30 (Upper tunnel ore dump. 1,480 tons)
Cu, 1.74%; Oxide Cu, 0.32%; Sulfide Cu, 1.42%; Au, 0.005 oz; Ag, 0.5 oz

#51-31 (Lower east corner of lower tunnel dump. 600 tons)
Cu, 2.17%; Oxide Cu, 0.09%; Sulfide Cu, 2.08%; Au, 0.005 oz; Ag, 0.3 oz

#51-32 (Upper east corner of lower tunnel dump. 600 tons)
Cu, 1.02%; Oxide Cu, 0.04%; Sulfide Cu, 0.98%; Au, 0.005 oz; Ag, 0.2 oz

#51-33 (Lower center of lower tunnel dump. 250 tons)
Cu, 2.44%; Oxide Cu, 0.12%; Sulfide Cu, 2.32%; Au, 0.005 oz; Ag, 0.6 oz

TURK MINE: (MILL SAMPLE)

#51-61 (Mill concentrate from milling dump where sample #51-31 was taken)
Cu, 21.6%; Ni, 0.126%; Au, 0.005 oz; Ag, 0.5 oz

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
401 Post Office Building,
Spokane 1, Washington

July 10, 1951

MEMORANDUM

To: DMA Field Team, Region II

From: John D. Bardill, U. S. B. M. Metallurgist.

Subject: Copper Ore Beneficiation of Togo-Turk Mines, Springdale District, Stevens County, Washington - DMA Docket No. 287

The proposal of the operators is to rehabilitate and further equip the existing mill to treat about 35 tons of ore per 24-hour day.

The present mill consists of a coarse ore bin, 7" x 12" jaw crusher driven by a 30 horsepower gasoline engine, small fine ore bin, 5' x 4' Marcy type ball mill, 4' x 16' Wemco duplex classifier, five antiquated 30" x 30" Kraut flotation cells, lime feeder and a No. 6 Wilfley table which is not in use. The ball mill is inadequately powered by an oil burning engine driven electric generator. The equipment is poorly covered with a lean-to type building with open sides.

The power plant should be replaced with a 275 h.p. Diesel-electric generator, upon which the operators have already made a partial payment. A secondary crusher should be purchased and installed to grind the ore to about 1/4-inch. About five good flotation cells should be acquired and installed to replace the old Kraut cells. A filter and possibly a small thickener are needed to dewater and filter the flotation concentrates. A better building should be constructed to properly house the plant. A dump truck will be needed for hauling ore, concentrates and supplies. The operators estimate $10,000 will suffice for the equipment and its installation. Mr. Geisbauer is a shrewd trader, used equipment dealer and mechanic and probably can purchase the equipment and install it for the estimated sum. Some of the equipment has already been located by him.

Previous milling experience, laboratory tests by Mr. Fre Williams, professor of mineral dressing at Washington State College at Pullman, Washington, and preliminary laboratory flotation tests at the Albany laboratories of the Bureau of Mines indicate copper recoveries from about 91 to 94 percent, concentrate grade varying from 22 to 29 percent copper, and ratio of concentration from approximately 8-12 to 1. A conservative estimate would be about 92 percent recovery, 25 percent copper concentrate grade with 3.25 ounces silver and 8 to 1 ratio of concentration.

Bureau of Mines and Geological Survey estimates 23,775 tons of measured ore assaying 3.30 percent copper and 0.43 ounces silver, plus 2,930 tons of dump material containing 1.74 percent copper and 0.429 ounces of silver.

Total reserves are estimated at 26,705 tons averaging 3.13 percent copper and 0.429 ounces silver.

Based on the above estimates and marketing the concentrates at the A. S. & R. Tacoma smelter on open schedule without penalties for zinc, arsenic, antimony or nickel, the following proceeds would be anticipated:

Smelter pays:

Copper: 2,000 lbs. x (25% Cu less 1%) (24.5¢ less 2.75¢)	=	$104.40
Silver: (3.25 oz. less 0.50) x 95% x 90¢	=	2.35
		$106.75
Less base treatment charge of $9.50 plus (10% of $6.75)	=	10.18
Net smelter returns,		$ 96.57
Less 8% royalty of net smelter returns,		7.73
		$ 88.84
Motor freight from mine to Tacoma smelter,		10.00
Net value of concentrates,		$ 78.84
Net value of concentrates per ton of ore at 100% recovery and 8 to 1 ratio of concentration,		$ 9.86
Net value of concentrates per ton of concentrates at 92% copper and silver recovery in the mill		$ 9.07

Estimated milling cost: 35 tons per 24-hour day.

2 mill operators per 8-hour shift, or 6 operators @ $1.50 per hour.	$ 72.00
Power, reagents, repairs, supplies, compensation insurance, etc.,	$ 50.50
	$122.50
Estimated milling cost per ton,	$ 3.50

Recapitulation:

Estimated recoverable copper and silver value per ton of ore,	$ 9.07
Less estimated milling cost per ton of ore,	3.50
	$ 5.57
Less repayment of $10,000 prorated on 26,705 tons @ .38¢ per ton,	.38

Estimated balance remaining for mining cost, ore delivery to mill, profit, repayment of loan for mine rehabilitation, working capital, etc., $5.19

Unless the mining cost is phenomenally low the operation on a 35-ton per day basis will be a losing venture.

Perhaps, if ore reserves could be increased to justify a 100-ton per day operation, the venture if properly managed might result in a success.

Recommendations

Since the possible estimated balance per ton for mining, ore delivery to mill, repayment of loan for mine rehabilitation, working capital and profit seems inadequate, I recommend that on the basis of a 35-ton per day operation the loan be denied.

John D. Bardill

JUN 1 3 1951

Mr. Joseph W. Geisbauer
Togo-Turk Mines
Fruitland, Washington

Subject: Application for Access Road AR-40

My dear Mr. Geisbauer:

Receipt is acknowledged of your application of May 28, for an access road ~~to the Togo Mine~~ in the Deer Trail mining district, Stevens County, Washington.

The application was assigned docket number AR-40 and referred to Mr. Stanley Walker, Acting Chief, Housing and Utility Branch.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc

Copy to: Mr. Walker, Room 2465
Mr. Weissenborn, Region II
Mr. Strobel (2)
DMA Files

Form MF-105
(April 1951)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1054.
Approval expires March 31, 1952.

Docket No. AR 40
(Leave blank)

Application For Access Road

Instructions to Applicant: Complete five copies of this form, keeping one copy for your files and sending original and three copies to:

NOTICE.—If you have already filed Defense Minerals Administration Form MF-100 or MF-103, give date filed ....., Docket No., if available ....., and do not answer questions 3 to 7, inclusive. Then return signed forms to Defense Minerals Administration, Department of the Interior, Requirements Division, Washington 25, D. C. If more space is needed, attach additional sheets of the same size, indicating item being answered.

1. Location of project: State ..... County .....
   Mining district ..... Nearest town .....
2. Name of mine or plant ..... Other identifying data (previous names, etc.) .....
3. Principal metal or mineral produced (or to be produced) .....
4. Subordinate metals or minerals .....
5. Present average daily production .....
6. Estimated future average daily production .....
7. Estimated ore reserves or life of the mine .....
8. Access road requested from TOGO MINE to IMPROVED CO. ROAD Length 3 MILES
   To be a new road? NO or improvement of existing road? YES
9. Number of trucks by type and size 1 10 TON Total trips per day (1-way) 10
10. To the best of your knowledge, does any Federal, State, or county agency have jurisdiction over this road? YES Which agency? COUNTY
    Have you been refused assistance by this agency? COUNTY DOES NOT HAVE FUNDS ENOUGH
11. Have you applied for a Federal loan for your mining or milling operation? YES
    If so, on what date and to what Government agency? D M A.
12. Do you have Government contracts for any of your production? NO If so, with what agency? ..... For what amount? .....

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

TOGO-TURK MINES
(Name of company)

LOWER - - GEISBAUER

Fruitland, Wash.
(Address)

21 MAY 1951
(Date)

By Joseph W. Geisbauer
(Signature of authorized official)

CO PARTNER
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—64017-1

FILE COPY
SURNAME:

Johnson
Burbank

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

March 8, 1951

A. E. Weissenborn

Memorandum

To: Executive Officer, DMA Field Team, Region II
South 157 Howard Street
Spokane, Washington

From: Chairman, Copper Commodity Committee

Subject: Togo-Turk Mines, Stevens County, Washington (DMA-287)

This is to acknowledge and thank you for your memorandum of February 13, 1951, with reference to your visit to the Togo-Turk property. We shall be interested in the outcome of your final examination. In the meantime, I assume that the interested parties know that such examination cannot be made for the present. If you have not so informed them I will appreciate your doing so.

/s/ Tom Lyon

Tom Lyon, Chief
Copper Commodity Committee

CHJohnson:cw

Copy to: Executive Secretary
Copper Commodity Committee
Files

LANDON F. STRUBLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 8, Washington

February 13, 1951

Memorandum

To: Mr. J. K. Richardson, Chairman
Copper Commodity Committee

Through: Operating Committee

From: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Subject: Togo-Turk Mines, Stevens County, Washington
DMA no. 287

The above-mentioned docket has been received here and an examination will be made as soon as weather conditions permit.

Mostly to satisfy my own curiosity, an attempt was made a few weeks ago to visit the Togo-Turk property. We arrived at the Turk mine after considerable difficulty but, because of the deep snow, were unable to reach the Togo. From a quick inspection it seemed obvious that but little ore remains in the old workings of the Turk above the lowest operating level; however, it is not unlikely that further exploration might develop ore in depth. It is stated that easily minable ore could be recovered from the Togo workings. It is not unlikely that the tonnage claimed by the operators remains in the old dumps but inasmuch as these were covered by two to three feet of snow it was not possible even to guess the copper content of the dump material.

The property seems worth further examination and this will be done as soon as practicable.

Very truly yours,

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: Glenn C. Reed
L. F. Strobel

Ack and may assure interested parties that exam will be made as soon as practical, and that no action can be taken until this

FILE COPY
SURNAME:

Johnson
Richardson

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

January 31, 1951

Re: Docket No. DMA-287

Mr. Joseph W. Geisbauer
Toge Turk Mines
Fruitland, Washington

Dear Mr. Geisbauer:

Your application for a loan under the Defense Production Act has been studied by the Copper Branch and is being forwarded to the Defense Minerals Administration Field Team, Region II, for further examination. You may hear shortly from Mr. A. E. Weissenborn, Executive Officer of the field team, to arrange for such investigation.

Sincerely yours,

S. H. Williston, Director
Supply Division

CHJohnson:pf

Copy to: Executive Officer, DMA Field Team, Region II (2)
South 157 Howard Street, Spokane, Washington
Executive Secretary
Copper Commodity Committee
Files

FILE COPY
SURNAME:

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

January 31, 1951

Memorandum

To: Executive Officer, DMA Field Team, Region II
South 157 Howard Street
Spokane, Washington

From: Chairman Copper Commodity Committee

Through: Operating Committee

Subject: DMA No. 287, Togo-Turk Mines, Stevens County, Washington

The applicant proposes to start production 60 days after receipt of a $44,000 loan. The proposed rate is 5 tons daily of copper concentrates averaging 26 percent copper. Sources are said to be a 10,000-ton dump grading 3 percent copper and 21,000 tons of reserves in place grading 5 to 6 percent copper. A Bureau of Mines Report dated January, 1944, mentions indicated and inferred ore totalling 1,500 tons at 4 percent copper. Apparently a little copper may be available without exhorbitant expenditure of manpower and material.

The complete file on this application is forwarded with the request that this proposal be given a field examination to determine, among other things, at your discretion:

1) The possibility of separating the development-production features of the project from the exploratory features. DMA procedures have not yet been formulated for encouraging exploration, but we are directed to investigate apparently worthwhile exploratory projects.

2) How much ore of what grade can be produced on what schedule.

3) Total investment costs; operating costs per ton and per pound of copper; net returns.

4) Terms needed to repay the loan.

5) Would a purchase contract enable applicant to finance privately? If so, at what price per pound of copper? Would a floor price be necessary?

6) Ability of applicant to accomplish the proposal.

7) Will a certificate of necessity be needed? If so, can it be prepared at this time?

If your conclusions do not support this application, and nevertheless the property has merit, you may suggest to us what form of assistance may properly be offered instead.

J. K. Richardson, Chairman
Copper Commodity Committee

Enclosures

CHJohnson:pf

Approved:

_____
Chairman, Operating Committee

_____
Member, Bureau of Mines

_____
Member, Geological Survey

Copy to: Executive Secretary
Copper Commodity Committee
Files

FILE COPY
SURNAME:

Johnson
Chelin

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

January 11, 1951

Re: Docket No. DMA-287

Mr. Joseph W. Geisbauer
Toge Turk Mines
Fruitland, Washington

Dear Mr. Geisbauer:

This acknowledges receipt of the application of Toge-Turk Mines for a loan under the Defense Production Act of 1950, which has been transmitted to the Defense Minerals Administration by Mr. A. E. Weissenborn, Executive Officer, DMA Field Team, Region II, Spokane, Washington. The Application has been assigned the above docket number and has been referred to the Copper Branch for consideration.

Very truly yours,

J. K. Richardson, Chief
Copper Branch

CHJohnson:ba

Copy to Mr. Weissenborn, Executive Officer, DMA, Field Team,
Spokane, Washington
Mr. Strobel
Copper Commodity Committee
F i l e s

DMA-287

258

DEFENSE MINERALS ADMINISTRATION

Mr. Richardson

Referral of Applications for Government Aid

Docket No. DMA - 287

Commodity: copper

Name of Applicant: Togo-Turk Mines
(James W. Lower and Joseph W. Geisbauer, partners)

Address of Applicant: Fruitland, Washington

Name of Property: Togo and Turk mines

Location of Property: Stevens County, Washington

Nature of Application: Loan of $44,150

Action Dates

Application: 12/27/50

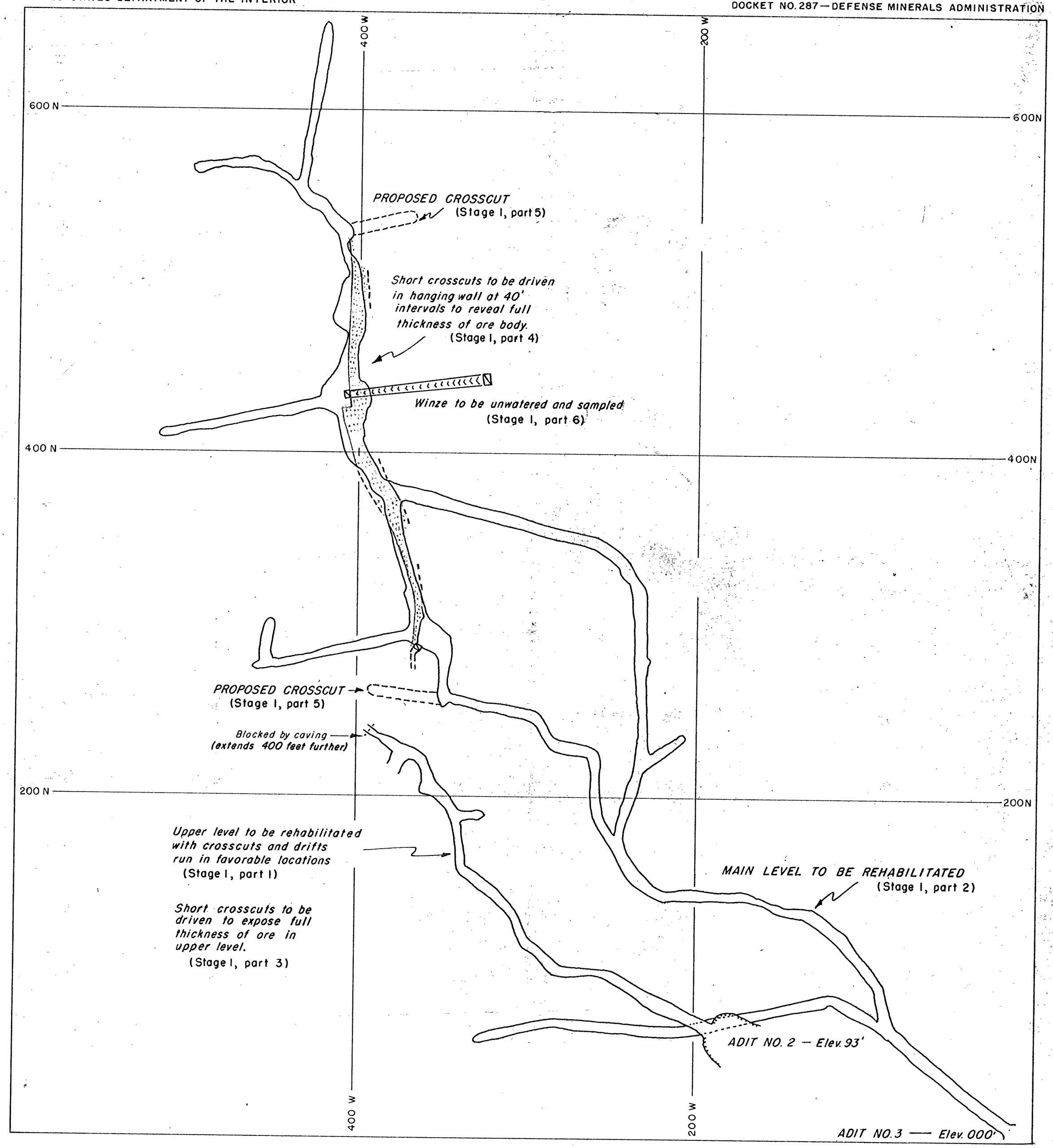
Received: 1/ 4/51

Acknowledged:

Referred to NONFERROUS METALS Committee: 1/8/51

Red - Cu C.C. 1/10/51 /gee

letter & memo being typed 1/31



MAIN UNDERGROUND WORKINGS, TURK MINE, STEVENS COUNTY, WASHINGTON.

40 0 40 80 120 160 200 FEET